

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 21-2023

CONFIRMING THE ISSUANCE OF NEW MONEY TAX ALLOCATION BONDS, AS PERMITTED IN SECTIONS 34177.7(a)(1)(A) AND 34177.7(a)(1)(B) OF THE CALIFORNIA HEALTH AND SAFETY CODE TO FINANCE (1) AFFORDABLE HOUSING OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT-TO-EXCEED \$30,000,000 AND (2) INFRASTRUCTURE IN THE TRANSBAY PROJECT AREA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; AFFORDABLE HOUSING OBLIGATIONS; TRANSBAY INFRASTRUCTURE OBLIGATIONS

WHEREAS, Under California Assembly Bill No. X126 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) (“AB 26”) and the California Supreme Court’s decision in *California Redevelopment Association v. Matosantos*, No. 5194861, all redevelopment agencies in the State of California (the “State”), including the Redevelopment Agency of the City and County of San Francisco (the “Former Redevelopment Agency”), were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and,

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

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012 the Board of Supervisors of the City and County of San Francisco (the “Board of Supervisors”) adopted Ordinance No. 215-12 (the “Implementing Ordinance”), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) is a separate legal entity from the City and County of San Francisco (the “City”), (b) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in AB 26 as amended by AB 1484, and as it may be further amended from time to time (collectively referred to in the Implementing Ordinance as the

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

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

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

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

WHEREAS, Section 34177.7(a)(1)(A) of the of the Code provides that the Successor Agency may, subject to the approval of the Oversight Board and the California Department of Finance, issue bonds or incur other indebtedness to finance the affordable housing required by the following agreements (collectively referred to herein as the “Affordable Housing Obligations”): (i) the Disposition and Development Agreement for Hunters Point Shipyard Phase 1 dated as of December 2, 2003, between Lennar/BVHP, LLC, a California limited liability company doing business as Lennar/BVHP Partners, as succeeded by HPS Development Co., L.P., and the Former Redevelopment Agency, as succeeded by the Successor Agency, as

heretofore amended and as hereafter may be amended; (ii) the Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated for reference purposes only as of June 3, 2010, between CP Development Co. LP, and the Former Redevelopment Agency, as succeeded by the Successor Agency, as heretofore amended and as hereafter may be amended; (iii) the Mission Bay North Owner Participation Agreement entered into as of November 16, 1998, between the Former Redevelopment Agency, as succeeded by the Successor Agency, and Catellus Development Corporation, a Delaware corporation, as succeeded by FOCIL-MB, LLC, a Delaware limited liability company, as heretofore amended and as hereafter may be amended; (iv) the Mission Bay South Owner Participation Agreement entered into as of November 16, 1998, between the Former Redevelopment Agency, as succeeded by the Successor Agency, and Catellus Development Corporation, a Delaware corporation, as succeeded by FOCIL-MB, LLC, a Delaware limited liability company, as heretofore amended and as hereafter may be amended; and (v) the Transbay Implementation Agreement (as defined below); and,

WHEREAS, Section 34177.7(a)(1)(B) of the Code provides that the Successor Agency has the authority, with approval of the Oversight Board and the Department of Finance, to issue bonds or incur other indebtedness to finance the infrastructure (the “Transbay Infrastructure Obligations”) required by the Transbay Redevelopment Project Implementation Agreement dated as of January 20, 2005 between the Former Redevelopment Agency, as succeeded by the Successor Agency, and the Transbay Joint Powers Authority, as hereafter may be amended (the “Transbay Implementation Agreement”); and,

WHEREAS, On December 13, 2016, the Board of Supervisors adopted Resolution No. 538-16, which was signed by the Mayor on December 22, 2016, pursuant to which the Board of Supervisors consented to the use of tax increment from redevelopment project areas outside of the Candlestick Point-Hunters Shipyard Project Site that are deposited in the Redevelopment Property Tax Trust Fund established for the Successor Agency for the exclusive purpose of funding affordable housing development that the Successor Agency is required to build under the Affordable Housing Obligations; and,

WHEREAS, In order to finance a portion of the Affordable Housing Obligations under the authority of Section 34177.7(a)(1)(A) of the Code, the Successor Agency issued its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (the “2017A Bonds”) in the original aggregate principal amount of \$89,765,000 pursuant to an Indenture of Trust dated as of March 1, 2017 (the “Original Indenture”), by and between the Successor Agency and the U.S. Bank National Association, as trustee; and,

WHEREAS, In order to finance a portion of the Transbay Infrastructure Obligations under the authority of Section 34177.7(a)(1)(B) of the Code, the Successor Agency issued its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects) (the “2017B Bonds” and, together with the 2017A Bonds, the “2017 Bonds”) in the original aggregate principal amount of \$19,850,000 pursuant to the Original Indenture; and,

WHEREAS, In order to further finance a portion of the Affordable Housing Obligations under the authority of Section 34177.7(a)(1)(A) of the Code, the Successor Agency issued its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2021 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds) in the original aggregate principal amount of \$127,210,000 (the “2021 Bonds”) pursuant to the Original Indenture as supplemented and amended by a First Supplement to Indenture of Trust dated as of December 1, 2021 (the “First Supplement”), by and between the Successor Agency and U.S. Bank National Association, as trustee; and,

WHEREAS, In order to further finance a portion of the Affordable Housing Obligations under the authority of Section 34177.7(a)(1)(A) of the Code, the Successor Agency has determined, subject to the approval of the Oversight Board and the Department of Finance, to issue its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (with any changes to the designation of such bonds as an Authorized Officer (as such term is defined herein) may approve, the “2023A Bonds”); and,

WHEREAS, In order to further finance a portion of the Transbay Infrastructure Obligations under the authority of Section 34177.7(a)(1)(B) of the Code, the Successor Agency has determined, subject to the approval of the Oversight Board and the Department of Finance, to issue its Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects) (with any changes to the designation of such bonds as an Authorized Officer may approve, the “2023B Bonds” and together with the 2023A Bonds, the “2023 Bonds”); and,

WHEREAS, The 2023 Bonds will be payable from Pledged Tax Revenues (as defined in the Original Indenture) on (A) parity with the 2017 Bonds and the 2021 Bonds, and (B) on a basis subordinate to the Successor Agency’s repayment obligations under its (i) \$67,955,000 original aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (the “2014B Bonds”), (ii) \$75,945,000 original aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (the “2014C Bonds” and together with the 2014B Bonds, the “2014 Bonds”),

(iii) \$116,665,000 original aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (the “2017D Bonds”), (iv) \$19,745,000 original aggregate principal amount of 2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (the “2017E Bonds” and, together with the 2017D Bonds, the “2017D/E Bonds”), and (v) any other debt issued or incurred by the Successor Agency on a parity with the 2014 Bonds and the 2017D/E Bonds; and,

WHEREAS, The sale of the 2023 Bonds will comply with the provisions of the Successor Agency’s debt policy (the “Debt Policy”), adopted by Resolution 32-2021 of the Successor Agency Commission on October 5, 2021, unless such compliance is waived in accordance with the Debt Policy; and,

WHEREAS, The Successor Agency adopted, by Resolution No. 02-2023 (March 21, 2023) (the “Bond Resolution”), approved the issuance of the 2023 Bonds and the execution of certain documents relating to the 2023 Bonds, including the Second Supplement to Indenture of Trust (the “Second Supplement”) between the Successor Agency and the Trustee, supplementing and amending the Original Indenture and providing for the issuance of the 2023 Bonds, and requested that the Oversight Board approve the issuance of the 2023 Bonds by the Successor Agency; and,

WHEREAS, The Oversight Board approved, by Resolution No. 03-2023 (April 7, 2023), the issuance of the 2023 Bonds by the Successor Agency, and said Resolution was sent to the Department of Finance pursuant to Sections 34177.7(f) and 34179(h) of the Code; and,

WHEREAS, By letter dated April 13, 2023, the Department of Finance approved Oversight Board Resolution No. 03-2023 and the issuance of the 2023 Bonds; and,

WHEREAS, The Successor Agency with the assistance of its municipal advisors, bond counsel, disclosure counsel, and fiscal consultant has caused to be prepared a form of Official Statement describing the 2023 Bonds and containing material information relating to the Successor Agency and the 2023 Bonds, the preliminary form of which is attached hereto as Exhibit A and by this reference incorporated herein; and,

WHEREAS, The sale and issuance of the 2023 Bonds are Successor Agency fiscal activities that do not constitute a “Project” as defined by the California Environmental Quality Act (“CEQA”) Guidelines Section 15378(b)(4), will not independently result in a physical change in the environment, and are not subject to environmental review under CEQA; now therefore, be it

RESOLVED, The Successor Agency Commission finds that:

The Successor Agency has full authority to issue the 2023A Bonds to finance a portion of the Affordable Housing Obligations under Section 34177.7(a)(1)(A) of the Code and to issue the 2023B Bonds to finance a portion of the Transbay Infrastructure Obligations under Section 34177.7(a)(1)(B) of the Code, and all acts and proceedings required by law necessary to make the 2023 Bonds, when executed by the Successor Agency, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Successor Agency, and to constitute the Second Supplement a valid and binding agreement for the uses and purposes therein set forth, in accordance with its terms, will have been done or taken and the execution and delivery of the Second Supplement will have been in all respects duly authorized; and, be it further

RESOLVED, The Successor Agency hereby approves the preliminary Official Statement describing the 2023 Bonds, in substantially the form attached hereto as Exhibit A together with such changes or additions thereto as the Executive Director, the Deputy Director of Finance and Administration and any of their designees (each being hereinafter referred to as an “Authorized Officer”) deems necessary, desirable or appropriate upon consultation with the Successor Agency’s General Counsel, bond counsel and disclosure counsel, and authorizes an Authorized Officer, acting alone, to deem a preliminary form of the Official Statement final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, except for omissions permitted therein. The distribution of the preliminary Official Statement by Stifel, Nicolaus & Company, Incorporated and Backstrom, McCarley Berry & Co., LLC (collectively, the “Underwriters”) is hereby approved. The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by an Authorized Officer and the addition of such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the 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 Underwriters a certificate with respect to the information set forth therein and to deliver to the Underwriters a Continuing Disclosure Certificate substantially in the form appended to the final Official Statement; and, be it further

RESOLVED, The Successor Agency hereby confirms its actions in the Bond Resolution authorizing and approving the issuance of the 2023 Bonds; and, be it further

RESOLVED, This Commission authorizes all actions heretofore taken by the officers and agents of the Successor Agency with respect to the sale and issuance of the 2023 Bonds herein authorized, the expenditure of the proceeds of the 2023 Bonds is hereby approved, confirmed and ratified, and the proper officers of the Successor Agency are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents which they, or any of them, may deem necessary or advisable in order to consummate the

lawful issuance and delivery of the 2023 Bonds in accordance with this Resolution and any certificate, agreement and other document described in the documents herein approved. Any authority delegated under this Resolution and/or the Bond Resolution to a specified official may also be exercised by officials acting in such positions on an interim basis.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of June 20, 2023.

Commission Secretary

Exhibit A: Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2023

**NEW ISSUE
BOOK-ENTRY ONLY**



**Underlying Rating: Standard & Poor's: “_”
(See “RATING” herein)**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject however to certain qualifications described herein, under existing law, the interest on the 2023 Series B 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 Series B Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the 2023A/B Bonds is exempt from California personal income taxes. Bond Counsel observes that the interest on the 2023 Series A Taxable Bonds is not intended to be excluded from federal income taxation. See “TAX MATTERS” herein.

**\$[2023A Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2023 Series A Taxable Third Lien
Tax Allocation Bonds
(Affordable Housing Projects)
[(Social Bonds)]**

**\$[2023B Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2023 Series B Third Lien
Tax Allocation Bonds
(Transbay Infrastructure Projects)**

Dated: Date of Delivery

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

This cover page contains information for quick reference only. It is *not* intended to be a complete summary of all factors relevant to an investment in the 2023A/B Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) [(Social Bonds)] (the “**2023 Series A Taxable Bonds**”) and the 2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects) (the “**2023 Series B Bonds**”) and, together with the 2023 Series A Taxable Bonds, the “**2023A/B Bonds**,” and individually, each a “**Series**”) are being issued by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) pursuant to an Indenture of Trust, dated as of March 1, 2017 (the “**Original Indenture**”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented prior to the date hereof, and as further amended and supplemented by the Second Supplement to Indenture of Trust, dated as of ____ 1, 2023 (the “**Second Supplement**”) and, the Original Indenture, as so amended and supplemented, the “**Indenture**”), by and between the Successor Agency and the Trustee.

Interest on the 2023A/B Bonds will be payable on February 1 and August 1 of each year, commencing ____ 1, 202_. Principal of the 2023A/B Bonds will be payable on the dates and in the respective principal amounts set forth on the inside cover page.

[The Successor Agency has [solicited] [received] bids from [2023 Bond Insurer Full Name] (“[2023 Insurer]”) for a municipal bond debt service reserve insurance policy (the “**2023A Reserve Policy**”) to satisfy the reserve requirement for the 2023 Series A Taxable Bonds and a municipal bond insurance policy (the “**2023A Insurance Policy**”) to guarantee the scheduled payment of the principal of and interest on all or a portion of the 2023 Series A Taxable Bonds (the “**2023A Insured Bonds**”), when due. In addition, the Successor Agency has [solicited] [received] bids from [2023 Insurer] for a municipal bond debt service reserve insurance policy (the “**2023B Reserve Policy**”) to satisfy the reserve requirement for the 2023 Series B Bonds and a municipal bond insurance policy (the “**2023B Insurance Policy**”) to guarantee the scheduled payment of the principal of and interest on all or a portion of the 2023 Series B Bonds (the “**2023B Insured Bonds**”), when due. The Successor Agency will make a decision on whether to purchase any of such policies at or about the time of the pricing of

* Preliminary, subject to change.

the 2023A/B Bonds. No assurance can be given as to whether the Successor Agency will purchase any of such policies. See “INTRODUCTION – Reserve Account” and “– Bond Insurance” and “BOND INSURANCE” herein.]

The 2023A/B Bonds of each Series will be issued in book-entry form, without coupons, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2023A/B Bonds. Beneficial ownership interests in the 2023A/B Bonds may initially be purchased, in denominations of \$5,000 or any integral multiple thereof, in book-entry only form as described herein. So long as Cede & Co. is the registered owner of the 2023A/B Bonds, payments of principal and interest will be made to Cede & Co., as nominee for DTC. DTC is required in turn to remit such payments to DTC Participants for subsequent disbursements to Beneficial Owners. Disbursement of such payments to DTC Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Direct Participants and Indirect Participants as more fully described herein. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

[The 2023A/B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “THE 2023A/B BONDS – Redemption Provisions.”]

The 2023 Series A Taxable Bonds are being issued for the purpose of providing funds to (i) finance certain affordable housing, as described herein under “PLAN OF FINANCE,” (ii) make a deposit in the subaccount of the Reserve Account established for the 2023 Series A Taxable Bonds or purchase the 2023A Reserve Policy to satisfy such Series’ reserve requirement, and (iii) pay costs associated with the issuance of the 2023 Series A Taxable Bonds, which may include the premium for a 2023A Insurance Policy, if any.

The 2023 Series B Bonds are being issued for the purpose of providing funds to (i) finance certain infrastructure, as described herein under “PLAN OF FINANCE,” (ii) make a deposit in the subaccount of the Reserve Account established for the 2023 Series B Bonds or purchase the 2023B Reserve Policy to satisfy such Series’ reserve requirement, and (iii) pay costs associated with the issuance of the 2023 Series B Bonds, which may include the premium for a 2023B Insurance Policy, if any.

The 2023A/B Bonds are payable from and secured solely by Pledged Tax Revenues (defined herein) and moneys held in certain funds and accounts by the Trustee under the Indenture on parity with the outstanding 2017A/B Bonds (defined herein) and 2021A Bonds (defined herein). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Existing Parity Obligations.” No funds or properties of the Successor Agency, other than the Pledged Tax Revenues and certain other amounts held under the Indenture, are pledged to secure the 2023A/B Bonds, the 2017A/B Bonds or the 2021A Bonds. Pledged Tax Revenues generally consist of tax increment revenues generated within the Project Areas remaining after the payment of the City Controller Administration Fee, the Existing Senior Loan Agreements, and the Second Lien Debt (as such terms are defined herein) and, accordingly, the payment of debt service on the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds is subordinate to payments due on such obligations as described under “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Security for the 2023A/B Bonds; Equal Security” and “– Senior Obligations.” The Successor Agency has covenanted that it will not issue additional debt payable from the Pledged Tax Revenues on a basis senior to the payment of debt service on the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds, except for the purpose of refunding the Existing Senior Loan Agreements and the Second Lien Debt. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Limitations on Additional Indebtedness.”

The 2023A/B Bonds are limited obligations of the Successor Agency, the principal of, premium, if any, and interest on which are payable solely from Pledged Tax Revenues and certain other amounts on deposit in the funds and accounts held under the Indenture. The 2023A/B Bonds are not a debt of the City and County of San Francisco (the “City”), the State of California (the “State”) or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The 2023A/B Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the 2023A/B Bonds. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.

MATURITY SCHEDULES
(see inside cover)

The 2023A/B Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and certain other conditions. Alexis S. M. Chiu, Esq., San Francisco, California, is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by its General Counsel. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, A Professional Corporation, Newport Beach, California. It is anticipated that the 2023A/B Bonds will be delivered to the Underwriters through the facilities of DTC in New York, New York on or about _____, 2023.

STIFEL

Backstrom McCarley Berry & Co., LLC

Dated: ____, 2023

MATURITY SCHEDULES*

\$[2023A Par]*
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
2023 Series A Taxable Third Lien Tax Allocation Bonds
(Affordable Housing Projects)
[(Social Bonds)]

\$ _____ * Serial Bonds

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

\$[2023B Par]*
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
2023 Series B Third Lien Tax Allocation Bonds
(Transbay Infrastructure Projects)

\$ _____ * ____% Term Bonds due August 1, ____, Yield ____%, Price ____, CUSIP No.† 79770G ____

* Preliminary, subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP data is not intended to create a database and does not serve in any way as a substitute for the CGS database and are included solely for convenience. Neither the Successor Agency nor the Underwriters assumes any responsibility for the accuracy of the CUSIP data.

[Map to Come.]

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

Commission Members

Bivett Brackett, *Chair*
Alex Ludlum, *Vice 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*
Vacant, *Deputy Director, Projects and Programs*

CITY AND COUNTY OF SAN FRANCISCO

London Breed, *Mayor*

David Chiu, *City Attorney*
Benjamin Rosenfield, *Controller*
José Cisneros, *Treasurer*

BOARD OF SUPERVISORS

Aaron Peskin, <i>Board President, District 3</i>	
Connie Chan, <i>District 1</i>	Myrna Melgar, <i>District 7</i>
Catherine Stefani, <i>District 2</i>	Rafael Mandelman, <i>District 8</i>
Joel Engardio, <i>District 4</i>	Hillary Ronen, <i>District 9</i>
Dean Preston, <i>District 5</i>	Shamann Walton, <i>District 10</i>
Matt Dorsey, <i>District 6</i>	Ahsha Safai, <i>District 11</i>

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

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

Municipal Advisors

PFM Financial Advisors LLC
San Francisco, California

Fiscal Consultant

Urban Analytics LLC
San Francisco, California

Trustee

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

No dealer, broker, salesperson or other person has been authorized by the Successor Agency or the City to give any information or to make any representations in connection with the offer or sale of the 2023A/B Bonds other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the 2023A/B Bonds by any person, in any jurisdiction where such offer, solicitation or sale would be unlawful. This Official Statement is not to be construed as a contract with the purchasers of the 2023A/B Bonds.

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

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking” statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the words “expects,” “forecasts,” “projects,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts of the Successor Agency in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Successor Agency disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the expectations of the Successor Agency with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

The Successor Agency and the City maintain a website. However, the information presented therein is not a part of this Official Statement and must not be relied upon in making an investment decision with respect to the 2023A/B Bonds.

The issuance and sale of the 2023A/B Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities.

The 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, their 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.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2023A/B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

§[2023A Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2023 Series A Taxable Third Lien
Tax Allocation Bonds
(Affordable Housing Projects)
[(Social Bonds)]

§[2023B Par]*
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY AND COUNTY OF SAN FRANCISCO
2023 Series B Third Lien
Tax Allocation Bonds
(Transbay Infrastructure Projects)

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the 2023A/B Bonds being offered, and a full review should be made of the entire Official Statement including the cover page, the table of contents and the appendices for a more complete description of the terms of the 2023A/B Bonds. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of provisions of, any other documents referred to herein do not purport to be complete, and such references are qualified in their entirety by reference to the complete provisions of such documents. Capitalized terms used in this Official Statement and not defined herein shall have the meanings assigned to them in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” or, if not defined therein, then in the Indenture (defined herein).

Authority and Purpose

The purpose of this Official Statement, which includes the cover page, table of contents and appendices hereto (collectively, the “**Official Statement**”), is to provide certain information in connection with the offering by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “**Successor Agency**”) of its §[2023A Par]* aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) [(Social Bonds)] (the “**2023 Series A Taxable Bonds**”) and its §[2023B Par]* aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects) (the “**2023 Series B Bonds**” and, together with the 2023 Series A Taxable Bonds, the “**2023A/B Bonds**” and individually, each a “**Series**”), for the purposes described herein. The 2023A/B Bonds are being issued in accordance with a resolution of the Successor Agency adopted on March 21, 2023 (the “**Resolution**”), and an Indenture of Trust, dated as of March 1, 2017 (the “**Original Indenture**”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the “**Trustee**”), as amended and supplemented by a First Supplement to Indenture of Trust dated as of December 1, 2021, and as further amended and supplemented by a Second Supplement to Indenture of Trust, dated as of _____ 1, 2023 (the “**Second Supplement**” and, the Original Indenture, as so amended and supplemented, the “**Indenture**”), by and between the Successor Agency and the Trustee, and, as applicable, pursuant to authority contained in the Redevelopment Law (defined herein) and Sections 34177.7(a)(1)(A) and (B) of the Redevelopment Dissolution Act (defined herein). See “– The Successor Agency.”

The 2023 Series A Taxable Bonds are being issued for the purpose of providing funds to: (i) finance a portion of its Affordable Housing Obligations (defined herein), consisting of certain affordable housing

* Preliminary, subject to change.

as described herein under “PLAN OF FINANCE;” (ii) make a deposit in the subaccount of the Reserve Account established for the 2023 Series A Taxable Bonds or pay the premium for a municipal bond debt service reserve insurance policy (the “**2023A Reserve Policy**”) from [2023 Bond Insurer Full Name] (“**[2023 Insurer]**”) to satisfy the reserve requirement for the 2023 Series A Taxable Bonds; and (iii) pay costs associated with the issuance of the 2023 Series A Taxable Bonds, which may include the premium for a municipal bond insurance policy, if any, insuring the 2023A Insured Bonds (defined herein) to be issued by [2023 Insurer] concurrently with the delivery of the 2023A Insured Bonds. See “– Reserve Account” and “– Bond Insurance.”

The 2023 Series B Bonds are being issued for the purpose of providing funds to: (i) finance a portion of the infrastructure required by the Transbay Redevelopment Project Implementation Agreement, dated as of January 20, 2005 (as amended from time to time, the “**Transbay Implementation Agreement**”), between the former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”), as succeeded by the Successor Agency, and the Transbay Joint Powers Authority (“**TJPA**”), as further described herein under “PLAN OF FINANCE;” (ii) make a deposit in the subaccount of the Reserve Account established for the 2023 Series B Bonds or pay the premium for a municipal bond debt service reserve insurance policy (the “**2023B Reserve Policy**” and, together with the 2023A Reserve Policy, the “**Reserve Policies**”) from [2023 Insurer] to satisfy the reserve requirement for the 2023 Series B Bonds; and (iii) pay costs associated with the issuance of the 2023 Series B Bonds, which may include the premium for a municipal bond insurance policy, if any, insuring the 2023B Insured Bonds (defined herein) to be issued by [2023 Insurer] concurrently with the delivery of the 2023B Insured Bonds. See “– The Successor Agency,” “– Reserve Account” and “– Bond Insurance,” and “ESTIMATED SOURCES AND USES OF FUNDS.”

The Successor Agency will make a decision on whether to purchase either of the Reserve Policies and either of the municipal bond insurance policies at or about the time of the pricing of the 2023A/B Bonds. No assurance can be given as to whether the Successor Agency will purchase any of such policies.

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 _____ as of _____ 1, 2023.

The 2023A/B Bonds are not a debt of the City and the General Fund of the City is not liable for the payment of the principal of, premium, if any, or interest on the 2023A/B Bonds. Neither the credit nor the taxing power of the City is pledged to the payment of the principal of, premium, if any, or interest on the 2023A/B Bonds. The 2023A/B Bonds are not secured by a legal or equitable pledge of, or charge, lien, or encumbrance upon, any of the property of the City.

The Successor Agency

As described below, the Successor Agency is the successor to the former Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”). The Former Agency was organized by the Board of Supervisors of the City (the “**Board of Supervisors**”) in 1948, to exercise the powers granted

by the California Community Redevelopment Law (Sections 33000 et seq. of the California Health and Safety Code) (as amended, the “**Redevelopment Law**”).

As a result of Assembly Bill No. X1 26 (“**AB 26**”) enacted on June 29, 2011, as Chapter 5, Statutes of 2011-12 First Extraordinary Session, and the decision of the State Supreme Court in *California Redevelopment Association, et al. v. Matosantos, et al.* (the “**California Redevelopment Association Case**”), as of February 1, 2012, all redevelopment agencies in the State of California (the “**State**”), including the Former Agency, were dissolved, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies. The California 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**”). See also “THE SUCCESSOR AGENCY” for further discussion of the Redevelopment Dissolution Act, the formation of the Successor Agency and the current powers, and limitations thereon, of the Successor Agency. The Redevelopment Law, and the acts amendatory thereof and supplemental thereto, including the Redevelopment Dissolution Act, is collectively referred to herein as the “**Law**.”

In amending the Redevelopment Dissolution Act, SB 107 (i) clarified the Successor Agency’s authority to issue bonds for affordable housing and certain infrastructure (California Health & Safety Code § 34177.7) in certain of its project areas, (ii) removed certain time limits that had previously applied to the issuance of debt and the collection of tax increment by former redevelopment agencies (California Health & Safety Code § 34189 (a)), and (iii) authorized the Successor Agency to secure new debt with the property tax revenues (former tax increment) from project areas that had generated tax increment upon the dissolution of the Former Agency on February 1, 2012 (Stats. 2015, ch. 325, § 27(e)). Significantly, these project areas include those with redevelopment plans that may have expired for other purposes but that continue to be a source of funds for repayment of indebtedness.

Section 34177.7(a)(1)(A) of the Redevelopment Dissolution Act authorizes the Successor Agency to issue bonds and other indebtedness to finance affordable housing required by the following agreements (collectively referred to herein as the “**Affordable Housing Obligations**”): (i) the Disposition and Development Agreement for Hunters Point Shipyard Phase 1 dated as of December 2, 2003 between Lennar/BVHP, LLC, a California limited liability company, doing business as Lennar/BVHP Partners, as succeeded by HPS Development Co., L.P., and the Former Agency, as succeeded by the Successor Agency, as heretofore amended and as hereafter may be amended; (ii) the Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated for reference purposes only as of June 3, 2010, between CP Development Co. LP, and the Former Agency, as succeeded by the Successor Agency, as heretofore amended and as hereafter may be amended; (iii) the Mission Bay North Owner Participation Agreement entered into as of November 16, 1998, between the Former Agency, as succeeded by the Successor Agency, and Catellus Development Corporation, a Delaware corporation (“**Catellus**”), as succeeded by FOCIL-MB, LLC, a Delaware limited liability company (“**FOCIL-MB**”), as heretofore amended and as hereafter may be amended; (iv) the Mission Bay South Owner Participation Agreement entered into as of November 16, 1998, between the Former Agency, as succeeded by the Successor Agency, and Catellus, as succeeded by FOCIL-MB, as heretofore amended and as hereafter may be amended; and (v) the Transbay Implementation Agreement.

The Successor Agency is issuing the 2023 Series A Taxable Bonds to provide funds to finance a portion of its Affordable Housing Obligations. See “PLAN OF FINANCE.”

The issuance of the 2023A/B Bonds was subject to the approval of the Successor Agency Commission (as defined herein), the Successor Agency’s oversight board (the “**Oversight Board**”) and the Department of Finance of the State of California (the “**California Department of Finance**”) pursuant to the Redevelopment Dissolution Act. All such approvals have been obtained. See “THE 2023A/B BONDS – Authority for Issuance.”

The Project Areas

At the time of dissolution of the Former Agency, twelve (12) project areas of the Former Agency generated tax increment for redevelopment activities (see reference to the Federal Office Building Redevelopment Project Area in “– Excluded Project Areas” below regarding its lack of tax increment). Two (2) of these project areas (Mission Bay North Redevelopment Project Area and Mission Bay South Redevelopment Project Area) and portions of three (3) other project areas: (i) the State-Owned Parcels (defined herein) in the Transbay Redevelopment Project Area; (ii) Zone 1 (Candlestick Point Sub-Area) of Project Area B of the Bayview Hunters Point Redevelopment Project Area also referred to as “**Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B**” (further described herein); and (iii) all portions of the Hunters Point Shipyard Project Area (defined herein) except the Hunters Point Hill Residential District, were, and continue to be, subject to agreements that irrevocably commit all or a portion of the property tax increment from those areas to specific purposes. Such property tax increment is not pledged as security for debt service on the 2023A/B Bonds. See “– Excluded Project Areas” below. Accordingly, and pursuant to the Indenture, only tax increment from all or a portion of ten (10) such project areas is pledged under the Indenture as security for debt service on the 2023A/B Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS.” Such project areas or portion thereof consist of the redevelopment project areas (except any portion thereof included in the Excluded Project Areas defined below) described in the following redevelopment plans (the “**Project Areas**”):

- Redevelopment Plan – Bayview Hunters Point Redevelopment Project Area – Zone 2 of Project Area B (the “**Bayview Hunters Point Project Area – Zone 2 of Project Area B**”)
- Redevelopment Plan – Embarcadero-Lower Market (“Golden Gateway”) Approved Redevelopment Project Area E-1 (the “**Embarcadero-Lower Market (“Golden Gateway”) Project Area**”)
- Redevelopment Plan – Bayview Hunters Point Redevelopment Project Area – Project Area A (formerly known as the Hunters Point Redevelopment Project Area) (the “**Bayview Hunters Point Project Area – Project Area A**”)
- Redevelopment Plan – Hunters Point Shipyard Redevelopment Project Area – Hunters Point Hill Residential District (the “**Hunters Point Hill Residential District (Hunters Point Shipyard Project Area)**”) (only tax increment generated in the Hunters Point Hill Residential District is pledged under the Indenture as security for the 2023A/B Bonds)
- Redevelopment Plan – India Basin Industrial Park Redevelopment Project Area (the “**India Basin Industrial Park Project Area**”)
- Redevelopment Plan – Rincon Point – South Beach Redevelopment Project Area (the “**Rincon Point – South Beach Project Area**”)

- Redevelopment Plan – South of Market Redevelopment Project Area (previously known as the South of Market Earthquake Recovery Project Area) (the “**South of Market Project Area**”)
- Redevelopment Plan – Transbay Redevelopment Project Area (the “**Transbay Project Area**”) (excluding the State-Owned Parcel Net Tax Increment (defined herein))
- Redevelopment Plan – Western Addition Redevelopment Project Area A-2 (the “**Western Addition Project Area A-2**”)
- Redevelopment Plan – Yerba Buena Center Approved Redevelopment Project Area D-1 (the “**Yerba Buena Center Approved Project Area D-1**”)

As described in this Official Statement, the 2023A/B Bonds are secured by a pledge and lien on Pledged Tax Revenues (defined herein), which generally consist of tax increment revenues generated within the Project Areas remaining after the payment of the City Controller Administration Fee, the Existing Senior Loan Agreements and the Second Lien Debt (as such terms are defined herein) and on a parity with the 2017A/B Bonds and the 2021A Bonds (defined herein). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – General.” All or a portion of tax increment revenues from certain excluded project areas or portions of project areas described below are not pledged as security for the payment of the 2023A/B Bonds; therefore, the description of the project areas of the Former Agency set forth in this Official Statement is limited to only the Project Areas and excludes any information relating to the Excluded Project Areas (defined herein), except that information regarding the State-Owned Parcels (defined herein), located within the Transbay Project Area, is included as a portion of the tax increment revenues generated within such parcels is pledged as security for the payment of the 2023A/B Bonds. See “– Excluded Project Areas” below.

Excluded Project Areas

Tax increment revenues from the following project areas of the Former Agency are not pledged as security to pay debt service on the 2023A/B Bonds under the Indenture:

- (i) the Mission Bay North Redevelopment Project Area (the “**Mission Bay North Project Area**”);
- (ii) the Mission Bay South Redevelopment Project Area (the “**Mission Bay South Project Area**”); and
- (iii) the Federal Office Building Redevelopment Project Area (the parcels in which are owned by the Federal Government which does not pay property tax).

In addition, tax increment revenues from the following are not pledged as security to pay debt service on the 2023A/B Bonds under the Indenture:

- (x) Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B;
- (y) parcels in the Hunters Point Shipyard Redevelopment Project Area (the “**Hunters Point Shipyard Project Area**”) other than the Hunters Point Hill Residential District; and
- (z) the State-Owned Parcels (defined herein) (except that as described under “– *Excluded Tax Increment from State-Owned Parcels*,” a certain portion of tax increment revenues from the

State-Owned Parcels is available to pay debt service on the 2023A/B Bonds and other debt obligations).

Collectively, the project areas listed in (i)-(iii) and the portions of project areas described in (x)-(z) above are referred to herein as “**Excluded Project Areas**.” See “PLEDGED TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues” regarding negative tax increment generated by the Federal Office Building Redevelopment Project Area. See “THE PROJECT AREAS – Project Areas – *Hunters Point Hill Residential District (Hunters Point Shipyard Project Area)*” and “– *Excluded Tax Increment from State-Owned Parcels*.” See also APPENDIX B – “FISCAL CONSULTANT REPORT.”

Excluded Tax Increment from State-Owned Parcels. Pursuant to the redevelopment plan for the Transbay Project Area, State-Owned Parcel Net Tax Increment from certain parcels within the Transbay Project Area totaling approximately 10 acres of land currently or previously owned by the State (referred to herein as the “**State-Owned Parcels**”) has been pledged to the TJPA to help pay the cost of replacing the former Transbay Terminal. “**State-Owned Parcel Net Tax Increment**” as used herein means all property and tax increment revenues attributable to the parcels transferred to the City and/or the TJPA pursuant to the Cooperative Agreement, dated as of July 11, 2003, by and among the City, the State and the TJPA, allocated to and received by the Successor Agency, but specifically excluding (i) charges for County administrative charges, fees or costs; (ii) the portion of the tax increment revenues that the Former Agency was required by law to set aside in the Former Agency’s affordable housing fund, pursuant to the Redevelopment Law (herein referred to as the former “**State-Owned Parcels Housing Set-Aside**”); (iii) a portion of the tax increment revenues equal to the percentage of such revenue required to pay all governmental entities as required under the Redevelopment Law; and (iv) the portion of tax increment revenues equal to the percentage of such revenues that the State may mandate the Successor Agency, as successor to the Former Agency, to pay from time to time in the future.

Under the Indenture, Pledged Tax Revenues exclude amounts required to be paid to the TJPA in accordance with the redevelopment plan for the Transbay Project Area (i.e. State-Owned Parcel Net Tax Increment). Therefore, State-Owned Parcel Net Tax Increment is not available for payment of debt service on the 2023A/B Bonds. State-Owned Parcel Net Tax Increment for Fiscal Year 2022-23 is approximately \$26.6 million. See Appendix B – “Fiscal Consultant Report.” The tax increment from the State-Owned Parcels in excess of the State-Owned Parcel Net Tax Increment is deposited into the RPTTF. For Fiscal Year 2022-23, such excess totaled approximately \$21.4 million. Of such excess, the tax increment from the State-Owned Parcels in an amount equal to the former State-Owned Parcels Housing Set-Aside and the amount equal to the Statutory Pass-Through Amounts payable to taxing entities with respect to the State-Owned Parcels, to the extent subordinated, is anticipated to be available for payment of debt service on the Existing Senior Loan Agreements, the Second Lien Debt, the 2017A/B Bonds, the 2021A Bonds and the 2023A/B Bonds. For Fiscal Year 2022-23, such tax increment totaled \$ _____. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Former Housing Fund*” and “– *Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2023A/B Bonds*.”

Tax Allocation Financing

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

Prior to the enactment of AB 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance, which adopted the redevelopment plan became the base year

valuation. Assuming the taxable valuation never dropped below the base year level, the taxing agencies thereafter generally received that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of such agency's obligations.

The Redevelopment Dissolution Act authorizes bonds, including the 2023A/B Bonds, to be secured by a pledge of, and to be payable from and further secured by, property tax revenues deposited from time to time in the Redevelopment Property Tax Trust Fund held by the auditor-controller of the City and County of San Francisco (the “**City Controller**”) with respect to the Successor Agency (the “**Redevelopment Property Tax Trust Fund**” hereinafter referred to as “**RPTTF**”), if those revenues are not otherwise obligated. Such funds are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects. **DISCUSSIONS HEREIN REGARDING TAX INCREMENT OR TAX REVENUES NOW REFER TO THOSE MONEYS DEPOSITED BY THE CITY CONTROLLER INTO THE RPTTF AND NOT OBLIGATED FOR OTHER PURPOSES.**

Security and Sources of Payment for the 2023A/B Bonds

The 2023A/B Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and payable from and secured by the Pledged Tax Revenues (defined herein) on a parity with the 2017A/B Bonds and the 2021A Bonds. Pledged Tax Revenues, as more fully described herein, do not include the State-Owned Parcel Net Tax Increment from the State-Owned Parcels or any tax increment revenues from, or amounts deposited in, the RPTTF attributable to the other Excluded Project Areas. The payment of debt service on the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds is subordinate to payment of the City Controller Administration Fee and payments due on the Senior Obligations. The Successor Agency has covenanted that it will not issue additional debt payable from the Pledged Tax Revenues on a basis senior to the payment of debt service on the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds except for the purpose of refunding the Senior Obligations. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act,” “– Security for the 2023A/B Bonds; Equal Security,” “– Senior Obligations,” “– Parity Obligations,” and “– Limitations on Additional Indebtedness.”

The Redevelopment Dissolution Act requires the City Controller to determine the amount of property taxes that would have been allocated to the Former Agency had it not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit such amount in the RPTTF. The Redevelopment Dissolution Act further provides that Successor Agency bonds authorized under Section 34177.7 “*may be secured by property tax revenues available in the successor agency's Redevelopment Property Tax Trust Fund from those project areas that generated tax increment for the Redevelopment Agency of the City and County of San Francisco upon its dissolution, if the revenues are not otherwise obligated*” (Stats. 2015, ch. 325, § 27(e)). Such bonds will be secured by a pledge of, and lien on, and will be repaid from, moneys deposited from time to time in the RPTTF. Property tax revenues pledged to any bonds authorized under the Redevelopment Dissolution Act are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution which provided for the allocation of tax increment revenues under the Redevelopment Law. Section 34177.7(g) of the Redevelopment Dissolution Act provides that the Successor Agency's bonds will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if such bonds had been issued prior to the effective date of AB 26 and in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date. The Successor Agency must include debt service payments for such bonds on its Recognized Obligation Payment Schedule (defined herein) in

order for such amounts to be distributed to the Successor Agency and be available to pay debt service on the 2023A/B Bonds as described below. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Recognized Obligation Payment Schedule.”

The Redevelopment Dissolution Act requires compliance by the Successor Agency with a procedure for preparation of a Recognized Obligation Payment Schedule in order to receive funds for payment of debt service and submission thereof to the Oversight Board and the California Department of Finance for approval. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act.” Taxes levied on the property within the Project Areas on that portion of the taxable valuation over and above the taxable valuation of the applicable base year property tax roll with respect to the various properties within the Project Areas, to the extent that such taxes constitute tax revenues, will be deposited in the RPTTF for transfer by the City Controller to the Successor Agency’s Redevelopment Obligation Retirement Fund (the “**Retirement Fund**”) on January 2 and June 1 of each year (adjusted for weekends and holidays) to the extent required for payments listed in the Successor Agency’s Recognized Obligation Payment Schedule in accordance with the requirements of the Redevelopment Dissolution Act. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Recognized Obligation Payment Schedule.” Moneys deposited by the City Controller into the Retirement Fund representing Pledged Tax Revenues will first be deposited by the Successor Agency in the “Third Lien Special Fund” which is to be held by the Successor Agency within the Retirement Fund (the “**Special Fund**”) and will then be transferred by the Successor Agency to the Trustee for deposit in the Debt Service Fund established under the Indenture and administered by the Trustee in accordance with the Indenture.

The 2023A/B Bonds are limited obligations of the Successor Agency, the principal of, and interest on which are payable solely from Pledged Tax Revenues and certain other amounts on deposit in the funds and accounts held under the Indenture on a parity with the 2017A/B Bonds and the 2021A Bonds. The 2023A/B Bonds are not a debt of the City, the State or any of their political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable therefor. The 2023A/B Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The Successor Agency has not pledged any other tax revenues or property or its full faith and credit to the payment of debt service on the 2023A/B Bonds. None of the members of the Successor Agency Commission (defined herein), the Successor Agency, the City, or the persons executing the 2023A/B Bonds is liable personally for the 2023A/B Bonds by reason of their issuance. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act” and “PLEDGED TAX REVENUES AND DEBT SERVICE.”

Senior Obligations

The pledge of tax increment revenues from the Project Areas to pay debt service on the 2023A/B Bonds is *subordinate* to the prior pledge, or priority of payment, of such tax increment revenue to the payment of the Existing Senior Loan Agreements (defined herein) and the Second Lien Debt (defined herein) (collectively, the “**Senior Obligations**,” as further described herein). As of June 30, 2023, there was approximately \$282 million aggregate principal amount of Senior Obligations outstanding. Approximately \$12 million of such aggregate principal amount is secured by pledges of tax revenue from Mission Bay North and Mission Bay South Project Areas (collectively, the “**Mission Bay Senior Loan Agreements**”), which are Excluded Project Areas. However, in the event there is insufficient money in any reserve account established under either of the Mission Bay Senior Loan Agreements to transfer to the applicable trustee when due under such loan agreement, the Successor Agency is obligated to cause tax increment revenue

from certain of the Project Areas in the amount of such insufficiency, subject to a certain maximum amount, to be paid to the applicable trustee. The Successor Agency has covenanted that it will not issue additional debt payable from the pledged tax increment revenues from the Project Areas on a basis senior to the payment of debt service on the 2023A/B Bonds, except for the purpose of refunding the Existing Senior Loan Agreements and the Second Lien Debt. See also “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – General” and “– Existing Senior Obligations.”

Third Lien Parity Debt

In addition to the Senior Obligations described above, as of June 30, 2023, the Successor Agency had outstanding \$44,350,000 aggregate principal amount of the 2017A/B Bonds and \$127,210,000 aggregate principal amount of the 2021A Bonds, the debt service on which is payable on a parity with the payment of debt service on the 2023A/B Bonds from Pledged Tax Revenues. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Existing Parity Obligations.”

The Successor Agency has the right to issue additional indebtedness payable on a parity with the 2023A/B Bonds from Pledged Tax Revenues upon the satisfaction of certain conditions set forth in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Limitations on Additional Indebtedness – *Third Lien Parity Debt*.” The Successor Agency currently anticipates needing to finance approximately \$[] million of infrastructure in the Transbay Project Area in the next five years and approximately \$[] million of affordable housing by 2030 and anticipates doing so through the issuance of additional bonds on a parity with the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds. The amounts and time in the preceding sentence reflect current projections. No assurance can be given as to the exact timing or amount of any additional bond issuances.

Reserve Account

The Indenture establishes a “**2023A Reserve Subaccount**” within the Reserve Account for the 2023 Series A Taxable Bonds to be maintained in an amount at least equal to the Reserve Requirement (defined herein) for the 2023 Series A Taxable Bonds and a “**2023B Reserve Subaccount**” within the Reserve Account for the 2023 Series B Bonds to be maintained in an amount at least equal to the Reserve Requirement for the 2023 Series B Bonds (the 2023A Reserve Subaccount and the 2023B Reserve Subaccount, together, the “**Reserve Subaccounts**”). The Reserve Requirement for the 2023 Series A Taxable Bonds and the Reserve Requirement for the 2023 Series B Bonds will be calculated separately and without regard to the 2017A/B Bonds, the 2021A Bonds or any additional bonds, loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds in the future (such additional bonds, loans, advances and indebtedness hereinafter referred to as “**Third Lien Parity Debt**”). [The Successor Agency has [solicited] [received] bids from [2023 Insurer] for a municipal bond debt service reserve insurance policy to satisfy the reserve requirement for the 2023 Series A Taxable Bonds and a municipal bond debt service reserve insurance policy to satisfy the reserve requirement for the 2023 Series B Bonds. The Successor Agency will make a decision on whether to purchase either of such policies at or about the time of the pricing of the 2023A/B Bonds. No assurance can be given as to whether the Successor Agency will purchase either of such policies. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Special Fund; Deposit of Pledged Tax Revenues – *Reserve Account*.”

Bond Insurance

[The Successor Agency has [solicited] [received] bids from [2023 Insurer] for a municipal bond insurance policy (the “**2023A Insurance Policy**”) to guarantee the scheduled payment of the principal of and interest on all or a portion of the 2023 Series A Taxable Bonds (the “**2023A Insured Bonds**”), when due, and a

municipal bond insurance policy (the “**2023B Insurance Policy**” and, together with the 2023A Insurance Policy, the “**Insurance Policies**,” and each, an “**Insurance Policy**”) to guarantee the scheduled payment of the principal of and interest on all or a portion of the 2023 Series B Bonds (the “**2023B Insured Bonds**” and, together with the 2023A Insured Bonds, the “**Insured Bonds**”), when due. The Successor Agency will make a decision on whether to purchase either of such Insurance Policies at or about the time of the pricing of the 2023A/B Bonds. No assurance can be given as to whether the Successor Agency will purchase either of such Insurance Policies.] See “BOND INSURANCE.”

Certain Risk Factors

Certain events could affect the ability of the Successor Agency to pay debt service on the 2023A/B Bonds when due. See “CERTAIN RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the 2023A/B Bonds.

Public Health Emergency

In February 2023, the State of California and the San Francisco Department of Public Health ended their respective COVID-19 public health emergencies with respect to COVID-19, which had been declared a pandemic by the World Health Organization (the “**WHO**”). The WHO and the U.S. Department of Health and Human Services (“**HHS**”) ended their respective COVID-19 public health emergency declarations in May 2023. HHS determined that COVID-19 remained a public health priority and indicated it would monitor the latest subvariants. As the City recovers from the COVID-19 pandemic, it faces certain challenges. According to the City, it experienced a net loss of 54,813 people from 2020 to 2021, and it has been reported that the office vacancy rate in the City was 29.4% in the first quarter of 2023. See “PLEDGED TAX REVENUES AND DEBT SERVICE – Projected Pledged Tax Revenues and Debt Service Coverage” and “CERTAIN RISK FACTORS – Reductions to Tax Base and Assessed Values,” “ – Appeals to Assessed Values,” “ – Public Health Emergencies” and “Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues.”

Continuing Disclosure

The Successor Agency has covenanted for the benefit of Owners and Beneficial Owners to provide certain financial information and operating data relating to the Successor Agency not later than six (6) months after the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2023 (the “**Annual Report**”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices of the specified events will be filed with the Municipal Securities Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Market Access website (“**EMMA**”) of the MSRB. The specific nature of the information to be contained in the Annual Report and the notice of events is set forth in APPENDIX D – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriters (defined herein) in complying with S.E.C. Rule 15c2-12(b)(5).

See “CONTINUING DISCLOSURE” for additional information.

Available Information

This Official Statement contains brief descriptions of the 2023A/B Bonds, the security for the 2023A/B Bonds, the Indenture, the Successor Agency, the Former Agency, the City, the Project Areas and certain other information relevant to the issuance of the 2023A/B Bonds. All references herein to the Indenture, the Redevelopment Law, the Redevelopment Dissolution Act, the State Constitution and laws of the State are qualified in their entirety by reference to the complete text thereof and all references to the 2023A/B Bonds are further qualified by reference to the form thereof contained in the Indenture.

The Successor Agency’s audited financial statements for the period ended June 30, 2022, are included in APPENDIX A – “SUCCESSOR AGENCY’S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022.” Urban Analytics, LLC, San Francisco, California (the “**Fiscal Consultant**”), is providing consulting services to the Successor Agency with respect to the Project Areas and their projected taxable values and anticipated tax increment revenues. The Fiscal Consultant’s report is attached hereto as APPENDIX B – “FISCAL CONSULTANT REPORT.” The proposed form of legal opinion of Bond Counsel relating to the 2023A/B Bonds is set forth in APPENDIX E – “FORM OF BOND COUNSEL FINAL OPINION.”

The information set forth herein and in the Appendices hereto has been furnished by the Successor Agency and includes information which has been obtained from other sources, which are believed to be reliable but is not guaranteed as to accuracy or completeness by the Successor Agency or the Underwriters and is not to be construed as a representation by the Underwriters. Copies of documents referred to herein and information concerning the 2023A/B Bonds are available upon written request from the Trustee, U.S. Bank Trust Company, National Association, One California Street, Suite 1000, Mail Code: SF-CA-SFCT, San Francisco, California 94111. Within the City, the Successor Agency, which is constituted as the Office of Community Investment and Infrastructure or “OCII,” may be contacted at: Office of Community Investment and Infrastructure, One South Van Ness Avenue, 5th Floor, San Francisco, California 94103; telephone: (415) 749-2465. The Successor Agency will respond to requests by any Bondowner for public information. The Successor Agency may impose a charge for copying, mailing and handling.

PLAN OF FINANCE

A portion of the net proceeds from the sale of the 2023 Service A Taxable Bonds will be used to finance the development and/or construction of affordable housing under the Affordable Housing Obligations. Said housing is expected to consist of approximately [] units of housing in the [] Project Area, approximately [] units of housing in the [] Project Area and approximately [] units of housing in the [] Project Area, as further set forth in the table below. However, the Successor Agency may use proceeds of the 2023 Series A Taxable Bonds to finance other affordable housing developments under the Affordable Housing Obligations.

Projects to be Financed with Proceeds of 2023 Series A Taxable Bonds*

Name	Location	Units¹	Construction Loan Amount (\$millions)¹	Estimated Completion Date	Targeted AMI

¹ Units are estimates and subject to change. Projects include existing predevelopment loans that will be incorporated into new construction loans

Proceeds of the 2023 Series A Taxable Bonds also will be used to pay costs associated with the issuance of the 2023 Series A Taxable Bonds, including premiums for the purchase of a bond insurance policy and/or reserve surety, if any. If no reserve surety is purchased, then the proceeds of the 2023 Series A Taxable Bonds also will be used to fund a deposit to the 2023A Reserve Subaccount. See “INTRODUCTION – Reserve Account” and “ – Bond Insurance.”

* Preliminary, subject to change.

A portion of the net proceeds of the 2023 Series B Bonds will be used to finance infrastructure, specifically, improvements in the Transbay Project Area in the form of [_____]. Proceeds of the 2023 Series B Bonds also will be used to pay costs associated with the issuance of the 2023 Series B Bonds including premiums for the purchase of a bond insurance policy and/or a reserve surety, if any. If no reserve surety is purchased, then the proceeds of the 2023 Series B Bonds will also be used to fund a deposit to the 2023B Reserve Subaccount. See “INTRODUCTION – Reserve Account” and “ – Bond Insurance.”

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the 2023A/B Bonds are as follows:

<i>Sources:</i>	2023 Series A Taxable Bonds	2023 Series B Bonds	Total
Par Amount			
Original Issue Premium/(Discount)			
Total Sources			
 <i>Uses:</i>			
2023 Series A (Taxable) Project Fund			
2023 Series B Project Fund			
Costs of Issuance ⁽¹⁾			
Underwriters’ Discount			
Total Uses			

⁽¹⁾ Costs of issuance include legal, financing and consultant fees, rating agency fees, the fees for the reserve sureties and bond insurance policies, if any, and other miscellaneous expenses incurred in connection with the issuance of the 2023A/B Bonds.

THE 2023A/B BONDS

Authority for Issuance

The 2023A/B Bonds were authorized for issuance pursuant to the Indenture, the Redevelopment Law and the Redevelopment Dissolution Act. See “INTRODUCTION – The Successor Agency.” Issuance of the 2023A/B Bonds and the execution of the related documents were authorized by the Successor Agency pursuant to a resolution adopted on March 21, 2023 (the “**Resolution**”), and approved by the Successor Agency’s Oversight Board pursuant to a resolution of the Oversight Board adopted on April 7, 2023 (the “**Oversight Board Resolution**”).

Written notice of the Oversight Board Resolution was provided to the California Department of Finance, as required by the Redevelopment Dissolution Act, on April 7, 2023. On April 13, 2023, which is within the time period allotted under the Redevelopment Dissolution Act for the California Department of Finance to review the Oversight Board Resolution, the California Department of Finance provided a letter to the Successor Agency stating that, based on the California Department of Finance’s review of the Oversight Board Resolution and application of applicable law, the California Department of Finance approved of the issuance of the 2023A/B Bonds. A copy of the California Department of Finance’s letter is attached hereto as APPENDIX G.

[Designation as Social Bonds

[Update if decide to designate.] The Successor Agency is designating the 2023 Series A Taxable Bonds as “Social Bonds” as it has determined that the projects to be financed with the proceeds of the 2023

Series A Taxable Bonds are “Social Projects” based on the social benefits of addressing affordable housing within the City, and in accordance with the Successor Agency’s mission of funding and facilitating delivery of affordable housing and infrastructure throughout its project areas.

The projects planned to be financed with proceeds of the 2023 Series A Taxable Bonds will address the need within the City to preserve or increase affordable housing stock. See “– Use of Proceeds” below. The Successor Agency retained affordable housing obligations integrally related to the Major Approved Development Projects (defined herein) that the Successor Agency must continue to implement pursuant to the Affordable Housing Obligations, which are enforceable obligations, consistent with the Redevelopment Dissolution Act. See “THE SUCCESSOR AGENCY – Continuing Activities” below. The obligations include direct funding through loans or grants to “stand-alone,” or 100% affordable, residential developments as well as below market rate “inclusionary” housing that is required through Successor Agency development agreements with private developers in connection with market rate housing, and for which no subsidy is provided by the Successor Agency. The Successor Agency manages these affordable housing development obligations through direct oversight and underwriting along with services procured from the Mayor’s Office of Housing and Community Development (“MOHCD”) through a 2014 Memorandum of Understanding. In general, the Successor Agency is responsible for directly managing the affordable housing projects’ development through construction completion. The Successor Agency also procures services from the MOHCD’s staff for review and monitoring of marketing for both inclusionary and Successor Agency funded projects (including implementation of the Certificate of Preference program), and assisting with the fiscal management and disbursement of the Successor Agency’s funds pursuant to the relevant project’s financing agreements, and other ancillary tasks as needed. Upon completion of the project, defined as constructed, occupied, and conversion to permanent financing, the Successor Agency will transfer the affordable housing assets, such as land, funding agreements, ground leases, and affordability restrictions, for each completed project to the MOHCD. The MOHCD will then be responsible for all asset management responsibilities for the transferred projects. As a result of these retained affordable housing obligations, the Successor Agency is responsible for overseeing the creation of thousands of units of affordable housing related to the Major Approved Development Projects. As of [____], 2023, a total of [____] housing units have been completed and occupied across the Major Approved Development Projects, with [____] housing units in various stages of construction, predevelopment, planning and future development. Of the [____] total units already completed or planned, the Successor Agency must produce over [____] affordable housing units. Over 60% ([____] units) will be funded by the Successor Agency. A summary table is provided below.

Total Housing Production for the Successor Agency in the Major Approved Development Projects
(as of [____], 2023)

Project Status	Mission Bay North	Mission Bay South	Transbay	Hunters Point Shipyard Phase 1 ⁽¹⁾	Hunters Point Shipyard Phase 2 ⁽²⁾ and Candlestick Point ⁽³⁾	Total
Completed & Occupied						
In Construction						
In Predevelopment						
In Planning						
Future Development						
Total						

⁽¹⁾ Hunters Point Hill Residential District (Hunters Point Shipyard Project Area).

⁽²⁾ Hunters Point Shipyard Project Area, except Hunters Point Hill Residential District.

⁽³⁾ Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B.

The designation of the 2023 Series A Taxable Bonds as “Social Bonds” is intended to generally comport with The Social Bond Principles promulgated by the International Capital Market Association (“ICMA”), updated as of June 2021. As promulgated by the ICMA and most recently updated in June 2021, the “Social Bond Principles” have four core components (i.e., Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting), each of which are further described below.

The term “Social Bonds” is neither defined in nor related to provisions in the Indenture. The 2023 Series A Taxable Bonds are payable from and secured solely by Pledged Tax Revenues and moneys held in certain funds and accounts by the Trustee under the Indenture on a parity with the 2023 Series B Bonds, the 2017A/B Bonds and the 2021A Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS.” Owners of the 2023 Series A Taxable Bonds do not assume any specific project risk related to any of the projects funded thereby. ICMA is a European-based entity with some members from the United States. The Successor Agency assumes no obligation to ensure that the projects financed with proceeds of the 2023 Series A Taxable Bonds comply with any legal or other standards or principles that may relate to “Social Projects” or that the 2023 Series A Taxable Bonds comply with any legal or other standards or principles that may relate to “Social Bonds.” The designation of the 2023 Series A Taxable Bonds as Social Bonds does not entitle the Owners thereof to any special treatment under the Internal Revenue Code of 1986, as amended.

ICMA Mapping of Social Bond Principles to United Nations Sustainable Development Goals. By reference to the ICMA “Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2018), the Successor Agency has determined that its Social Bonds designation reflects the use of proceeds in a manner that is consistent with “Goal 1: No Poverty”, “Goal 10: Reduced Inequalities” and “Goal 11: Sustainable Cities and Communities” of the United Nations 17 Sustainable

Development Goals (referred to as “UNSDGs” generally and “SDG 1”, “SDG 10” and “SDG 11,” specifically). According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. According to the United Nations, SDG 1 is focused on ending poverty in all its forms everywhere, SDG 10 is focused on reducing inequality and SDG 11 is focused on making the cities and communities inclusive, safe, resilient and sustainable. ICMA maps SDG 1.4 to ICMA Social Bond Principles “Affordable Housing,” “Access to Essential Services,” and “Socioeconomic Advancement and Empowerment”; and maps SDG 11.1 to ICMA Social Bond Principles “Affordable Housing” and “Affordable Basic Infrastructure.”

Use of Proceeds. The Successor Agency expects to use a portion of the proceeds of the 2023 Series A Taxable Bonds to finance approximately [] affordable housing units in the Hunters Point Hill Residential District (Hunters Point Shipyard Project Area), approximately [] affordable housing units in the Mission Bay South Project Area and approximately [] affordable housing units in the Transbay Project Area. However, the Successor Agency may use proceeds of the 2023 Series A Taxable Bonds to finance other affordable housing developments under its Affordable Housing Obligations. See “PLAN OF FINANCE” for more details. Affordable units are defined as being restricted to, and priced for, households earning up to 120% of the Area Median Income (“AMI”). The Successor Agency’s rental projects typically serve low or very-low income households (up to 50% or 60% of AMI), while affordable homeownership units are designated for first-time low to moderate income buyers earning between 80%-120% of AMI. Ground leases for such projects guarantee affordability for 100 years. Allocation of proceeds occurs through the Successor Agency’s annual budget and ROPs process, and is tracked through an accounting system.

Process for Project Evaluation and Selection. The Successor Agency maintains a documented process to determine that projects fit within the defined AMI categories listed above, and the Successor Agency’s development agreements identify the locations and total number of affordable units to be funded in each project area.

Reporting. The Successor Agency produces an annual housing report, which provides status updates for housing projects associated with the Major Approved Development Projects as well as other projects. The report can be found at <https://sfocii.org/annual-housing-production-report>. The Successor Agency also provides updates through its annual budgets, which can be found at <https://sfocii.org/annual-financial-reports>. The information available on such websites is not incorporated by reference into this Official Statement and should not be relied upon in making an investment in the 2021A Bonds.

Description of the 2023A/B Bonds

The 2023A/B Bonds will be issued in the form of fully registered bonds without coupons and in principal denominations of \$5,000 or any integral multiple thereof. No 2023A/B Bond will have more than one maturity date.

The 2023A/B Bonds will be dated, and will bear interest from, their date of delivery to the original purchasers thereof. The 2023A/B Bonds will be issued in the respective aggregate amounts, will bear interest at the respective rates and will mature on the respective dates and in the amounts all as set forth on the inside cover page hereof.

[The 2023A/B Bonds are not subject to redemption prior to maturity.]

Interest on the 2023A/B Bonds will be payable on February 1 and August 1 of each year, commencing [August 1, 202[]] (each, an “**Interest Payment Date**”). Interest on the 2023A/B Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each 2023A/B Bond will bear

interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated after the close of business on the fifteenth (15th) calendar day of the month preceding an Interest Payment Date whether or not such fifteenth (15th) calendar day is a business day (the “**Record Date**”) and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated on or prior to [____], 2023, in which event it will bear interest from the date of delivery of the 2023A/B Bonds to the original purchasers thereof, provided, however, that if at the time of authentication of a 2023A/B Bond, interest thereon is in default, such 2023A/B Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Book-Entry Only System

Each Series of 2023A/B Bonds initially will be issued as fully registered bonds without coupons for each maturity of such Series of 2023A/B Bonds. Upon initial delivery, the ownership of the 2023A/B Bonds will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as a securities depository for the 2023A/B Bonds. Individual purchases may be made in book-entry only form. Purchasers will not receive certificates representing their beneficial ownership interest in the 2023A/B Bonds so purchased. So long as DTC, or its nominee, Cede & Co., is the registered owner of the 2023A/B Bonds, payments of principal, premium, if any, and interest evidenced by the 2023A/B Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the 2023A/B Bonds and references herein and in the Indenture to the Owners or Bondowners mean Cede & Co. and do not mean the Beneficial Owners of the 2023A/B Bonds. In this Official Statement, the term “**Beneficial Owner**” means the person for whom a DTC Participant acquires an interest in the 2023A/B Bonds. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Each such payment to DTC or its nominee will be valid and effective to fully discharge all liability of the Successor Agency or the Trustee with respect to the principal of or interest on the 2023A/B Bonds to the extent of the sum or sums so paid. The Successor Agency and the Trustee cannot and do not give any assurance that DTC’s Direct Participants or Indirect Participants will distribute to Beneficial Owners (i) payments of interest, principal or premium, if any, with respect to the 2023A/B Bonds, (ii) confirmation of ownership interests in the 2023A/B Bonds, or (iii) notices sent to DTC or Cede & Co., its nominee, as registered owner of the 2023A/B Bonds, or that DTC’s Direct Participants or Indirect Participants will do so on a timely basis.

Neither the Successor Agency nor the Trustee will have any responsibility or obligation to DTC Direct Participants, Indirect Participants or Beneficial Owners with respect to the payments or the providing of notice to DTC Direct Participants, Indirect Participants or Beneficial Owners [or the selection of the 2023A/B Bonds for redemption.]. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

In the event that either (i) DTC or a successor securities depository determines not to continue to act as a securities depository for the 2023A/B Bonds, or (ii) the Successor Agency determines to terminate DTC or a successor securities depository as such, then the Successor Agency will discontinue the book-entry system. Thereupon, DTC or the then current securities depository will furnish the Trustee with the names and addresses of the book-entry system Participants and their respective ownership interests thereof and the Trustee will issue replacement 2023A/B Bonds thereto.

[Redemption Provisions]*

Optional Redemption. The 2023 Series A Taxable Bonds maturing on or prior to August 1, 20__, are not subject to optional redemption. The 2023 Series A Taxable Bonds maturing on or after August 1, 20__, are subject to optional redemption at the option of the Successor Agency, prior to their respective maturity dates as a whole, or in part by a lot, on any date on or after August 1, 20__, by such maturity or maturities as will be directed by the Successor Agency (or in the absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption will be at a redemption price equal to 100% of the principal amount of the 2023 Series A Taxable Bonds to be redeemed, plus accrued but unpaid interest thereon to the date fixed for redemption, without premium.

The 2023 Series B Bonds maturing on or prior to August 1, 20__, are not subject to optional redemption. The 2023 Series B Bonds maturing on or after August 1, 20__, are subject to optional redemption prior to their respective maturity dates as a whole, or in part by lot, on any date on or after August 1, 20__, by such maturity or maturities as will be directed by the Successor Agency (or in absence of such direction, pro rata by maturity and by lot within a maturity), from any source of available funds. Such optional redemption will be at a redemption price equal to 100% of the principal amount of the 2023 Series B Bonds to be redeemed, plus accrued but unpaid interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2023 Series A Taxable Bonds that are Term Bonds (the “**2023A Term Bonds**”) maturing on August 1, 20__, and August 1, 20__, are subject to mandatory sinking fund redemption in whole, or in part by lot, on August 1 in each year, commencing on August 1, 20__ and August 1, 20__, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years set forth in the following table[s]; provided, however, that (a) in lieu of mandatory sinking fund redemption thereof, such 2023A Term Bonds may be purchased by the Successor Agency as described below, and (b) if some but not all of such 2023A Term Bonds have been redeemed by optional redemption as described above, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2023A Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee).

2023 Series A Taxable Term Bonds maturing on August 1, 20__

Sinking Account
Redemption Date
(August 1)

Principal Amount
to be Redeemed

* Maturity

* Preliminary, subject to change.

2023 Series A Taxable Term Bonds maturing on August 1, 20__

Sinking Account
Redemption Date
(August 1)

Principal Amount
to be Redeemed

* Maturity

The 2023 Series B Bonds that are Term Bonds (the “**2023B Term Bonds**” and, together with the 2023A Term Bonds, the “**2023A/B Term Bonds**”) maturing on August 1, 20__, and August 1, 20__, are subject to mandatory sinking fund redemption in whole, or in part by lot, on August 1 in each year commencing on August 1, 20__ and August 1, 20__, respectively, as set forth below, from sinking fund payments made by the Successor Agency to the Principal Account pursuant to the Indenture, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on August 1 in the respective years as set forth in the following table[s]; provided, however, that (a) in lieu of mandatory sinking fund redemption thereof, such 2023B Term Bonds may be purchased by the Successor Agency as described below, and (b) if some but not all of such 2023B Term Bonds have been redeemed by optional redemption as described above, the total amount of all future sinking fund payments will be reduced by the aggregate principal amount of such 2023B Term Bonds so redeemed, to be allocated among such sinking fund payments in integral multiples of \$5,000 as determined by the Successor Agency (notice of which determination will be given by the Successor Agency to the Trustee).

2023 Series B Term Bonds maturing on August 1, 20__

Sinking Account
Redemption Date
(August 1)

Principal Amount
to be Redeemed

* Maturity

2023 Series B Term Bonds maturing on August 1, 20__

Sinking Account
Redemption Date
(August 1)

Principal Amount
to be Redeemed

* Maturity

Purchase in Lieu of Redemption. In lieu of redemption of the 2023A/B Term Bonds pursuant to the preceding paragraph[s], the Successor Agency may purchase such 2023A/B Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges) as the Successor Agency may in its discretion determine. The par amount of any of such 2023A/B Term Bonds so purchased by the Successor Agency in any twelve-month period ending on June 1 in any year will be credited towards and will reduce the par amount of such 2023A/B Term Bonds required to be redeemed on August 1 in each year.

Selection of Bonds for Redemption. Whenever any 2023A/B Bonds or any Parity Debt (defined herein) issued pursuant to a supplement to the Indenture (such Parity Debt and 2023A/B Bonds hereinafter together referred to as, “**Bonds**”) or portions thereof are to be selected for redemption by lot, the Trustee will make such selection, in such manner as the Trustee will deem appropriate, and will notify the Successor Agency thereof to the extent Bonds are no longer held in book-entry form. In the event of redemption by lot of Bonds, the Trustee will assign to each Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The Bonds to be redeemed will be the Bonds that were assigned the numbers so selected, but only so much of the principal amount of each such Bond of a denomination of more than \$5,000 will be redeemed as will equal \$5,000 for each number assigned to it and so selected.

Notice of Redemption; Rescission. Notice of redemption will be mailed by the Trustee by first class mail no less than thirty (30) and nor more than sixty (60) days prior to the redemption date (i) to any insurer of the Bonds and to the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and one or more Information Services designated in a Written Request of the Successor Agency filed with the Trustee; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will state, in the case of an optional redemption, that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, will designate the CUSIP number of the Bonds to be redeemed, will state the individual number of each Bond to be redeemed or will state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and will require that such Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

The Successor Agency has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption will be canceled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. If any redemption is rescinded or canceled in accordance with the Indenture, the Trustee will mail notice of such rescission or cancellation in the same manner and to the same recipients as the original notice of such redemption was sent, and neither the Successor Agency nor Trustee will have any liability to Owners or any other party related to or arising from such rescission of redemption.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Successor Agency will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new Bond or Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

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

Transfer and Exchange. The Bonds may be transferred or exchanged for a bond of the same tenor, maturity and principal amount at the Principal Corporate Trust Office of the Trustee by the person in whose name it is registered, provided that the Trustee will not be required to register the transfer or exchange of (i) any Bonds during the period fifteen (15) days prior to the date established by the Trustee for selection of the Bonds for redemption, or (ii) any Bonds selected by the Trustee for redemption pursuant to the Indenture. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.” So long as Cede & Co. is the registered owner of the Bonds, transfers and exchanges of the Bonds will be subject to book-entry procedures. See APPENDIX F – “DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Mutilated, Lost, Destroyed or Stolen Bonds. The Successor Agency and the Trustee will, under certain circumstances, replace Bonds which have been mutilated, lost, destroyed or stolen. The Successor Agency may require payment of a reasonable fee and of the expenses which may be incurred by the Successor Agency and the Trustee in connection with the issuance of a new Bond to replace a Bond which has been mutilated, lost, destroyed or stolen. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

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DEBT SERVICE SCHEDULE

Set forth below is a table showing scheduled principal, interest and total debt service for the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt (defined herein), consisting of the 2017A/B Bonds, the 2021A Bonds and the 2023A/B Bonds.

Bond Year ending August 1	Existing Senior Loan Agreements ⁽¹⁾	Second Lien Debt		Third Lien Debt			Total Debt Service	
		2014 Bonds ⁽²⁾	2014 Parity Debt ⁽³⁾	2017A/B Bonds and 2021A Bonds ⁽⁴⁾	2023A/B Bonds			
					Principal	Interest		Debt Service
2023	\$32,306,689.20	\$2,805,507.50	\$13,393,968.75	\$5,561,701.65				
2024	\$32,303,476.70	\$2,824,677.00	\$13,232,718.75	\$8,750,344.95				
2025	\$23,564,226.70	\$2,907,781.00	\$6,050,718.75	\$19,261,155.45				
2026	\$22,920,937.40	\$2,897,565.00	\$6,043,631.25	\$18,727,445.60				
2027	\$22,896,480.80	\$2,917,099.00	\$6,059,331.25	\$18,431,233.25				
2028	\$22,896,434.20	\$2,905,793.50	\$6,045,381.25	\$18,568,083.20				
2029	\$22,876,470.50	\$2,900,430.50	\$6,051,475.00	\$18,754,150.35				
2030	\$21,885,189.10	\$2,450,510.00	\$7,012,662.50	\$18,947,927.00				
2031	\$23,858,861.00	\$1,213,483.50	\$3,428,968.75	\$22,599,947.50				
2032	\$23,847,321.30	\$1,196,731.50	\$3,434,775.00	\$23,429,276.50				
2033	\$23,839,710.70	\$1,198,518.50	\$3,435,150.00	\$1,801,875.00				
2034	\$23,821,782.40	\$1,187,870.50	\$3,429,943.75	\$1,801,875.00				
2035	\$19,304,731.80	\$1,190,274.50		\$3,766,700.00				
2036	\$19,292,294.60		\$3,884,075.00	\$1,801,875.00				
2037	\$13,727,503.10		\$4,064,093.75	\$1,801,875.00				
2038	\$2,936,691.70		\$4,804,375.00	\$1,801,875.00				
2039	\$2,921,541.70		\$4,805,062.50	\$1,801,875.00				
2040			\$5,760,437.50	\$1,801,875.00				
2041			\$3,258,250.00	\$2,341,875.00				
2042				\$8,468,250.00				
2043				\$8,490,562.50				
2044				\$8,514,093.75				
2045				\$9,024,000.00				
2046				\$9,024,750.00				
2047								
2048								
2049								
2050								
2051								
2052								
2053								
TOTAL	\$355,200,342.90	\$28,596,242.00	\$107,961,718.75	\$233,309,796.70				

(1) The Successor Agency's obligation to pay debt service on the Existing Senior Loan Agreements is senior to that of the Second Lien Debt, the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds. See "INTRODUCTION – Senior Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Senior Obligations – *Existing Senior Loan Agreements*."

(2) Reflects debt service on the 2014 Bonds. The Successor Agency's obligation to pay debt service on the 2014 Bonds is senior to that of the 2023A/B Bonds. See "INTRODUCTION – Senior Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Senior Obligations – *Existing Senior Loans and Second Lien Debt*."

(3) Reflects debt service on the 2014 Parity Debt, which consists of the 2017D/E Bonds (defined herein). The Successor Agency's obligation to pay debt service on the 2014 Parity Debt is senior to that of the 2023A/B Bonds. See "INTRODUCTION – Senior Obligations" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Senior Obligations – *Existing Senior Loans and Second Lien Debt*."

(Footnotes continue on next page.)

- (4) Reflects debt service on the 2017A/B Bonds and the 2021A Bonds. The Successor Agency's obligation to pay debt service on the 2017A/B Bonds and the 2021A Bonds is on a parity with that of the 2023A/B Bonds. See "INTRODUCTION – Third Lien Parity Debt" and "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Existing Parity Obligations."
- Sources:* Stifel, Nicolaus & Company, Incorporated, and the Successor Agency.

SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS

General

The 2023A/B Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture, and are payable solely from and equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and moneys in the Special Fund and all the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account established under the Indenture. Except for the Pledged Tax Revenues and such moneys in the funds and accounts described above, no funds or properties of the Successor Agency will be pledged to, or otherwise be liable for, the payment of principal of or interest on the 2023A/B Bonds. See "– Security for the 2023A/B Bonds; Equal Security." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

"**Pledged Tax Revenues**" are defined in the Indenture as all taxes that were eligible for allocation to the Former Agency with respect to the Project Areas and are allocated to the Successor Agency pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State, or pursuant to other applicable State laws and that are deposited in the RPTTF, excluding (i) amounts payable pursuant to the Existing Senior Loan Agreements, the Second Lien Debt and any debt issued on parity with the Existing Senior Loan Agreements or Second Lien Debt, but only to the extent such amounts are pledged as security therefor, (ii) all amounts required to be paid to taxing entities pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, unless such payments are subordinated to payments on the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds or any additional Third Lien Parity Debt issued as bonds pursuant to the Indenture or to the payments owed under any Parity Debt Instrument pursuant to Section 33607.5(e) of the Redevelopment Law and Section 34177.5(c) of the Redevelopment Dissolution Act, and (iii) amounts required to be paid to the TJPA in accordance with Section 5.7 of the Redevelopment Plan – Transbay Redevelopment Project Area. See "– Security for the 2023A/B Bonds; Equal Security."

The 2023A/B Bonds are not a debt of the City, the State, or any of its political subdivisions (other than the Successor Agency and only to the limited extent set forth in the Indenture), and none of the City, the State, nor any of its political subdivisions is liable therefor, nor in any event will the 2023A/B Bonds be payable out of any funds or properties other than those of the Successor Agency and only to the limited extent set forth in the Indenture. The 2023A/B Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. None of the members of the Successor Agency Commission, the Successor Agency, the City, or any person executing the 2023A/B Bonds is liable personally for the 2023A/B Bonds by reason of their issuance. Although the Successor Agency receives certain tax increment revenues, the Successor Agency has no taxing power.

Tax Increment Financing Generally

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

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

(b) To the Former Agency/Successor Agency. That portion of the levied taxes in excess of the amount described in paragraph (a) is deposited into a special fund of the applicable redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness incurred by, such agency to finance or refinance activities in or related to such project area.

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

Allocation of Taxes Pursuant to the Redevelopment Dissolution Act

Prior to the enactment of the Redevelopment Dissolution Act, the Redevelopment Law authorized the financing of redevelopment projects by permitting the pledge of tax increment revenues derived from the applicable project area to repayment of tax allocation bonds. After enactment of the Redevelopment Dissolution Act, the Redevelopment Law authorizes the financing of certain projects, including specific Successor Agency affordable housing and infrastructure projects described in Section 34177.7(a) of the California Health and Safety Code. The Redevelopment Dissolution Act requires that all property tax increment derived from all former project areas be deposited in a RPTTF for the Successor Agency held and maintained by the City Controller. **DISCUSSIONS HEREIN REGARDING TAX INCREMENT OR TAX REVENUES REFER TO THOSE MONEYS DEPOSITED BY THE CITY CONTROLLER INTO THE RPTTF AND NOT OBLIGATED FOR OTHER PURPOSES.** Pursuant to the Redevelopment Dissolution Act, the pledge of the Pledged Tax Revenues to pay the 2023A/B Bonds is made as if the 2023A/B Bonds had been issued prior to the effective date of the Redevelopment Dissolution Act, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date.

The Redevelopment Dissolution Act authorizes bonds, including the 2023A/B Bonds, to be secured by property tax revenues available in the Successor Agency’s RPTTF from the Project Areas, which generated tax increment for the Former Agency upon its dissolution if those revenues are not otherwise obligated (Stats. 2015, ch. 325, § 27(e)). The Redevelopment Dissolution Law establishes that the funds in the RPTTF are equivalent to the tax increment revenues that were formerly allocated under the Redevelopment Law to the redevelopment agency and formerly authorized under the Redevelopment Law to be used for the financing of redevelopment projects, less amounts deducted pursuant to Section 34183(a) of the Redevelopment Dissolution Act for permitted administrative costs of the City Controller. Successor agencies have no power to levy property taxes and must look specifically to the allocation of taxes as described below.

The Redevelopment Dissolution Act requires the City Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of Section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 26, using current assessed values on the last equalized roll on August 20, and to deposit

that amount in the RPTTF for the Successor Agency established and held by the City Controller pursuant to the Redevelopment Dissolution Act. The Redevelopment Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency, such as the 2023A/B Bonds, will be considered indebtedness incurred by the Former Agency, with the same legal effect as if the bonds had been issued prior to the effective date of AB 26, in full conformity with the applicable provision of the Redevelopment Law that existed prior to that date so that property tax revenues (formerly tax increment revenues) are paid to the Successor Agency in such amounts and on such dates to ensure the timely payment of debt service on the bonds. Pursuant to the Redevelopment Dissolution Act, the Successor Agency has covenanted to take all actions necessary to ensure that the 2023A/B Bonds will be included in each of the Successor Agency's Recognized Obligation Payment Schedules as prepared from time to time under the Redevelopment Dissolution Act. See “– Recognized Obligation Payment Schedule” below.

The Successor Agency tax rate calculated by the City is one percent (1.000%) for the secured roll and the unsecured roll. See APPENDIX B – “FISCAL CONSULTANT REPORT” for more information. In accordance with Section 33670(e) of the Redevelopment Law, the Successor Agency tax rate excludes taxes related to bonded indebtedness of the City approved by the voters of the City on or after January 1, 1989, and issued for the acquisition or improvement of real property. The Successor Agency receives, on an annual basis, only those tax increment revenues required by it to pay debt service or other enforceable obligations. See the tables for the Project Areas under “PLEGDED TAX REVENUES AND DEBT SERVICE – Historical and Current Assessed Valuation and Tax Revenues.”

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

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

Despite the provisions of the Redevelopment Dissolution Act that appear to permit the Successor Agency to use tax increment revenue that does not constitute Pledged Tax Revenues to pay debt service on the 2023A/B Bonds, the 2023A/B Bonds are secured by and payable solely from the

Pledged Tax Revenues and moneys in certain funds and accounts held by the Trustee under the Indenture. Investors should assume that State-Owned Parcel Net Tax Increment from the State-Owned Parcels and tax revenues generated within the other Excluded Project Areas are not available for payment of debt service on the 2023A/B Bonds.

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

The Teeter Plan remains in effect in the City unless and until the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the City (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the City, in which event, the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the City. There can be no assurance that the Teeter Plan will remain in effect throughout the life of the 2023A/B Bonds. In the event the Teeter Plan within the Project Areas were discontinued, the amount of the levy of property tax revenue that can be allocated to the Successor Agency would depend upon the actual collections of taxes within the Project Areas. Substantial delinquencies in the payment of property taxes could then impair the timely receipt by the Successor Agency of Pledged Tax Revenues and the payment of debt service on the 2023A/B Bonds.

As of September 6, 2022, the overall delinquency rate for Fiscal Year 2021-22 for all secured properties in the Project Areas was 1.6%. See APPENDIX B – “FISCAL CONSULTANT REPORT.”

Former Housing Fund. Prior to the Redevelopment Dissolution Act, the Redevelopment Law required generally that redevelopment agencies set aside in a low and moderate income housing fund not less than twenty percent (20%) of all tax revenues allocated to such agencies (the “**Housing Set-Aside**”). The Redevelopment Dissolution Act repealed the Housing Set-Aside, which is no longer in effect as a statutory obligation. However, the Housing Set-Aside is a contractual term in certain pledge agreements that the Successor Agency has with the City and that the California Department of Finance has finally and conclusively determined to be enforceable obligations. Accordingly, the Successor Agency previously maintained a fund for the pledged housing set-aside revenue even if the amount of revenue exceeded the amount necessary for debt service on affordable housing bonds in a particular fiscal year. In 2019, the California Department of Finance determined that the Successor Agency may take the twenty percent (20%) set-aside only to the extent it is listed in a Recognized Obligation Payment Schedule and is needed for fiscal year expenditures, such as debt service payments for outstanding housing bonds secured by a pledge of the revenues that had formerly been the Housing set-Aside. See “ – Recognized Obligation Payment Schedule.”

Under Section 34177.7(a)(1)(A) of the California Health and Safety Code, the Successor Agency is permitted to issue debt to meet its Affordable Housing Obligations.

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

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

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

Statutory Pass-through Shares By Taxing Entity⁽¹⁾

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

(1) The Statutory Pass-Throughs are assumed to be subordinated to debt service on the 2023A/B Bonds for purposes of the projections of the tax increment revenues from the Project Areas, including the projections of Pledged Tax Revenues, in this Official Statement. See “–Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2023A/B Bonds.”

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

Source: City Controller.

The Redevelopment Dissolution Act requires the City Controller to distribute from the RPTTF the Statutory Pass-Through Amounts required to be distributed to the Taxing Entities on each January 2 and June 1 before amounts are distributed by the City Controller from the RPTTF to the Retirement Fund, unless (i) pass-through payment obligations have previously been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded by the Successor Agency (*see discussion below relating to subordination of Statutory Pass-Through Amounts to the 2023A/B Bonds*), or (ii) (a) the Successor Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the RPTTF

allocation to the Retirement Fund, from other funds transferred from the Former Agency, and from funds that have or will become available through asset sales and all redevelopment operations is insufficient to fund the Successor Agency's enforceable obligations, Statutory Pass-Through Amounts, and the Successor Agency's administrative cost allowance for the applicable period, and (b) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

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

The process prescribed by the Redevelopment Dissolution Act of administering the tax revenues and the Statutory Pass-Through Amounts may affect the availability of an adequate amount of Pledged Tax Revenues for the payment of principal and interest on the 2023A/B Bonds when due. See “– Recognized Obligation Payment Schedule.” See also “PLEGDED TAX REVENUES AND DEBT SERVICE” for additional information regarding the Statutory Pass-Through Amounts applicable to the Successor Agency and the tax revenues derived from the Project Areas.

Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2023A/B Bonds. Section 34177.7(c) of the Redevelopment Dissolution Act sets forth a process pursuant to which payment of the Statutory Pass-Through Amounts may be subordinated to debt service on bonds or loans, provided that the affected taxing entity has approved the subordination. Accordingly, the Successor Agency notified the Taxing Entities of its intent to subordinate the Statutory Pass-Through Amounts to the payment of debt service on the 2023A/B Bonds and requested the Taxing Entities to approve of such subordination. All Taxing Entities have either approved such subordination or are deemed to have approved such subordination by not acting within 45 days after receipt of the Successor Agency's request. The Statutory Pass-Through Amount paid through ERAF to school districts is assumed to be subordinated with the Statutory Pass-Through Amount paid directly to school districts. See also “CERTAIN RISK FACTORS – Subordination of ERAF.” The total Statutory Pass-Through Amounts for the Taxing Entities (including ERAF) for Fiscal Year 2022-23 is estimated to be \$67.6 million.

Property Tax Administration Fees. Pursuant to Section 34183(a) of the Redevelopment Dissolution Act, the City Controller charges the Successor Agency a fee to recover property tax administration costs (the “**City Controller Administration Fee**”). Such administration fee is approximately 0.015% of tax increment and is allocated among all of the Successor Agency's project areas as determined at the discretion of the Successor Agency. For Fiscal Year 2022-23, the City Controller Administration Fee was approximately \$62,000. For Fiscal Year 2023-24, the City Controller Administration Fee is projected to be approximately \$45,000. See also “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure – *Property Tax Administrative Costs.*”

Security for the 2023A/B Bonds; Equal Security

Pursuant to Section 34177.7(g) of the Redevelopment Dissolution Act, and except as provided in the Indenture and subject to the deductions for the City Controller Administration Fee and the prior and senior pledge of and security interest in and lien in favor of the Existing Senior Loan Agreements and the Second Lien Debt, the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds and any Third Lien Parity Debt will be equally secured by a pledge of, security interest in and lien on all of the Pledged Tax Revenues and the moneys in the Special Fund, and will also be secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Redemption Account and the Reserve Account, without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Pledged Tax Revenues and such moneys in the funds and accounts described herein, no funds or properties of the Successor Agency will be pledged to, or otherwise be liable for, the payment of principal of or interest on the 2023A/B Bonds.

Pledged Tax Revenues, as defined in the Indenture, generally consist of tax revenues from the Project Areas, which are deposited into the RPTTF from time to time after the deduction of the City Controller Administration Fee, excluding (i) amounts payable pursuant to the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, and Second Lien Debt, but only to the extent such amounts are pledged as security therefor, (ii) all Statutory Pass-Through Amounts required to be paid to Taxing Entities unless such payments are subordinated to payments on the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds or any Third Lien Parity Debt issued as bonds in the future pursuant to the Indenture, as applicable, and (iii) amounts required to be paid to the TJPA in accordance with Section 5.7 of the Redevelopment Plan – Transbay Redevelopment Project Area. See “– Senior Obligations.” No tax revenues deposited into the RPTTF representing State-Owned Parcel Net Tax Increment from the State-Owned Parcels or tax revenues from the other Excluded Project Areas are pledged to, or anticipated to be available for, payment of debt service on the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds or any Third Lien Parity Debt issued as bonds in the future pursuant to the Indenture.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control (e.g., any property tax limitation, legislative measure, voter initiative or provisions of additional sources of income to taxing agencies) could affect the amount of Pledged Tax Revenues available to pay the principal of and interest on the 2023A/B Bonds. See “– Tax Increment Financing Generally,” “– Recognized Obligation Payment Schedule,” “LIMITATIONS ON TAX REVENUES” and “CERTAIN RISK FACTORS.”

In consideration of the acceptance of the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds and any Third Lien Parity Debt issued as bonds in the future pursuant to the Indenture (collectively, the “**Third Lien Bonds**”) by those who will hold the same from time to time, the Indenture constitutes a contract between the Successor Agency and the Owners from time to time of the Third Lien Bonds, and the covenants and agreements set forth therein to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all owners of the Third Lien Bonds, without preference, priority or distinction as to security or otherwise of any of the Third Lien Bonds over any of the others by reason of the number or date thereof, or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided in the Third Lien Bonds or in the Indenture.

Special Fund; Deposit of Pledged Tax Revenues

The Indenture established the Special Fund, which is held by the Successor Agency within the Retirement Fund. On each January 2, the Successor Agency will transfer all of the Pledged Tax Revenues received in connection with the Recognized Obligation Payment Schedule on a pro rata basis to the Special Fund and to any other special fund created with respect to any additional Third Lien Parity Debt that is not issued as bonds under the Indenture, promptly upon receipt thereof by the Successor Agency, until such

time as the amounts on deposit in the Special Fund equal the aggregate amounts required to be transferred in the Bond Year commencing on the immediately preceding August 2 (i) for deposit into the Interest Account, the Principal Account, the Reserve Account and the Redemption Account in such Bond Year pursuant to the Indenture and (ii) if applicable, with respect to any additional Third Lien Parity Debt (other than additional bonds issued pursuant to a Supplemental Indenture) for deposit into the funds and accounts that may be required pursuant to the applicable Parity Debt Instruments. If the amount of Pledged Tax Revenues received in connection with the Recognized Obligation Payment Schedule on January 2 will be insufficient to deposit the full amount required to be deposited pursuant to subsections (i) and (ii) of this paragraph, then the Successor Agency will deposit the Pledged Tax Revenues received in connection with the succeeding June 1 in the Special Fund in order to make the remainder of the transfers and deposits described above. If there nonetheless remains insufficient Pledged Tax Revenues to make the transfers and deposits required above, then the Successor Agency will transfer such Pledged Tax Revenues for deposit pro rata based on the full amounts required to be so deposited. Additionally, if the Successor Agency determines it is necessary to ensure timely payment of debt service on the Third Lien Bonds, the Successor Agency may also collect on each January 2 a reserve to be held for debt service on the Existing Senior Loan Agreements, the Second Lien Debt, the Third Lien Debt and any Subordinate Debt (defined herein); provided, however, the Successor Agency will not be obligated to collect any such reserve. See also “–Recognized Obligation Payment Schedule.”

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

There has been established under the Indenture a trust fund to be known as the Debt Service Fund, which will be held by the Trustee in trust in accordance with the Indenture. The Indenture requires the Successor Agency to transfer from the Special Fund to the Trustee (i) on or before the fifth (5th) business day preceding each Interest Payment Date, the amount necessary to pay the interest becoming due and payable on the Outstanding Third Lien Bonds on such Interest Payment Date, (ii) on or before the fifth (5th) business day preceding August 1 in each year, the necessary amount to pay the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1, (iii) at any time that the amount on deposit in the Reserve Account or any subaccount therein is less than the Reserve Requirement, unless there is a reserve policy on deposit, the amount necessary to maintain the Reserve Requirement for the applicable series of Third Lien Bonds on deposit in the applicable subaccount of the Reserve Account, and (iv) on or before the business day preceding any date on which Third Lien Bonds are to be optionally redeemed, the amount required to pay the principal of and premium, if any, on the Third Lien Bonds to be redeemed on such date pursuant to the Indenture or the applicable Supplemental Indenture.

Upon receipt, the Trustee will deposit the following amounts, at the times described above, and in the following respective accounts, which are established in the Debt Service Fund, and in the following order of priority:

Interest Account. The Trustee will deposit in the Interest Account the amount which, when added to the amount contained in the Interest Account on such date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Third Lien Bonds on such Interest Payment Date.

No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Third Lien Bonds. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Third Lien Bonds as it becomes due and payable (including accrued interest on any Third Lien Bonds redeemed prior to maturity pursuant to the Indenture).

Principal Account. The Trustee will deposit in the Principal Account the amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Serial Bonds and Outstanding Term Bonds, including pursuant to mandatory sinking account redemption, on the next August 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next August 1 on all of the Outstanding Serial Bonds and Outstanding Term Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Serial Bonds and the Term Bonds, including by mandatory sinking account redemption, as it becomes due and payable.

Reserve Account. The Indenture establishes a “**2023A Reserve Subaccount**” within the Reserve Account for the 2023 Series A Taxable Bonds and a “**2023B Reserve Subaccount**” within the Reserve Account for the 2023 Series B Bonds (the 2023A Reserve Subaccount and the 2023B Reserve Subaccount, together, the “**2023A/B Reserve Subaccounts**”). The amount on deposit in the Reserve Account is required to be maintained at the “**Reserve Requirement**”, which is defined in the Indenture to mean, with respect to each series of Outstanding Third Lien Bonds, the lesser of (i) one hundred twenty-five percent (125%) of average Annual Debt Service with respect to that series of Third Lien Bonds, (ii) Maximum Annual Debt Service with respect to that series of Third Lien Bonds, or (iii) with respect to an individual series of Third Lien Bonds, ten percent (10%) of the original principal amount of such series of Third Lien Bonds (or, if such series of Third Lien Bonds has more than a *de minimis* amount of original issue discount or premium, 10% of the issue price of such series of Third Lien Bonds); subject to the limitations and conditions in the Indenture.

The Reserve Requirement for the 2023 Series A Taxable Bonds is \$_____ and the Reserve Requirement for the 2023 Series B Bonds is \$_____. Amounts on deposit in the 2023 Series A Taxable Subaccount will be available only to pay debt service on the 2023 Series A Taxable Bonds, and amounts on deposit in the 2023 Series B Subaccount will be available only to pay debt service on the 2023 Series B Bonds.

[The Successor Agency has [solicited] [received] bids from [2023 Insurer] for a 2023A Reserve Policy to satisfy the reserve requirement for the 2023 Series A Taxable Bonds and a 2023B Reserve Policy to satisfy the reserve requirement for the 2023 Series B Bonds. The Successor Agency will make a decision on whether to purchase either of such Reserve Policies at or about the time of the pricing of the 2023A/B Bonds. No assurance can be given as to whether the Successor Agency will purchase either of such Reserve Policies. If either of such Reserve Policies is purchased, the Trustee will draw on such Reserve Policy in accordance with its terms and conditions and the terms of the Indenture in order to pay debt service on the applicable Series of the 2023A/B Bonds. Pursuant to the Indenture, in the event a Qualified Reserve Account Credit Instrument, such as either of the Reserve Policies, is delivered at any time to meet the entirety of the Reserve Requirement with respect to one or more series of Third Lien Bonds (that is, no cash is being deposited or will remain deposited in the Reserve Account with respect to those series of Third Lien Bonds), then, notwithstanding the above definition of Reserve Requirement, the Reserve Requirement will, with respect to those series of Third Lien Bonds, be determined only at the time of the delivery of the Qualified Reserve Account Credit Instrument and will not be subject to increase or decrease at a later date.

The amounts available under the 2023A Reserve Policy, if any, will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment

of debt service on the 2023 Series A Taxable Bonds. The amounts available under the 2023B Reserve Policy, if any, will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2023 Series B Bonds. The Trustee will comply with all documentation relating to the Reserve Policies, if any, as required to maintain the Reserve Policies in full force and effect and as required to receive payments thereunder in the event and to the extent required to make any payment when and as required under the Indenture. If any Reserve Policy is purchased, the Successor Agency has no obligation to replace such Reserve Policy or to fund the applicable Reserve Subaccount with cash if, at any time that any of the applicable Series of the 2023A/B Bonds are Outstanding, amounts are not available under such Reserve Policy, other than in connection with the replenishment of a draw on such Reserve Policy. Additionally, the Successor Agency will have no obligation to replace either of the Reserve Policies or to deposit any cash in the 2023A Reserve Subaccount or 2023B Reserve Subaccount in the event that any rating assigned to [2023 Insurer] is downgraded, suspended or withdrawn.

See “BOND INSURANCE—[]” herein for more information about [2023 Insurer]. See Appendix C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” for further information regarding the 2023A Reserve Subaccount and the 2023B Reserve Subaccount.

In connection with the issuance of the 2017A/B Bonds, Assured Guaranty Municipal Corp. (“AGM”) issued a debt service reserve policy (the “**2017 Reserve Policy**”) to satisfy the Reserve Requirement with respect to the 2017A/B Bonds. The amounts available under the 2017 Reserve Policy will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2017A/B Bonds. No amounts under the 2017 Reserve Policy may be used to pay debt service on the 2021A Bonds, the 2023A/B Bonds or any additional Third Lien Bonds issued in the future.

In connection with the issuance of the 2021A Bonds, AGM issued a debt service reserve policy (the “**2021 Reserve Policy**”) to satisfy the Reserve Requirement with respect to the 2021A Bonds. The amounts available under the 2021 Reserve Policy will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account and the Principal Account in such order of priority, in the event of any deficiency at any time in any of such accounts with respect to the payment of debt service on the 2021A Bonds. No amounts under the 2021 Reserve Policy may be used to pay debt service on the 2017A/B Bonds, the 2023A/B Bond or any additional Third Lien Bonds issued in the future.

See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Existing Senior Obligations

Existing Senior Loans and Second Lien Debt. Payment of debt service on the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds and any additional Third Lien Bonds issued in the future from tax increment revenues from the Project Areas is subordinate to the Successor Agency’s obligations to pay debt service on certain outstanding loans (the “**Existing Senior Loans**”) made to the Former Agency by the City and County of San Francisco Redevelopment Financing Authority (the “**Authority**”) pursuant to certain loan agreements between the Former Agency and the Authority to fund redevelopment activities (the “**Existing Senior Loan Agreements**”). The Authority made the Existing Senior Loans with proceeds of certain bonds issued by the Authority (the “**Authority Bonds**”), payable from loan repayments under the Existing Senior Loan Agreements.

Payment of debt service on the 2023A/B Bonds is also subordinate to the Successor Agency’s obligation to pay debt service on its 2014 Series B Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) and its 2014 Series C Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (together the “**2014 Bonds**”) and any 2014 Parity Debt

(which is defined in the Indenture as any indebtedness issued on parity with the 2014 Bonds in accordance with the indenture pursuant to which they were issued). 2014 Parity Debt includes the Successor Agency's 2017 Series D Taxable Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) and 2017 Series E Subordinate Tax Allocation Refunding Bonds (San Francisco Redevelopment Projects) (together, the "**2017D/E Bonds**") (the 2014 Bonds and the 2014 Parity Debt, including the 2017D/E Bonds, collectively, the "**Second Lien Debt**").

As of June 30, 2023, Senior Obligations were outstanding in the aggregate principal amount of approximately \$282 million and are described in the following table. Such Senior Obligations consisted of approximately \$177 million aggregate principal amount of outstanding Existing Senior Loans pursuant to Existing Senior Loan Agreements (including the Mission Bay Senior Loan Agreements with an outstanding aggregate principal amount of approximately \$12 million, which are secured by tax revenues from the Mission Bay North and Mission Bay South Project Areas, respectively, which are Excluded Project Areas and the tax revenues of which do not secure the Third Lien Bonds) and approximately \$106 million principal amount of Second Lien Bonds. In the event there is insufficient money in any reserve account established under either of the Mission Bay Senior Loan Agreements, the Successor Agency is obligated to cause aggregate tax increment revenue from certain of the Project Areas in the amount of such insufficiency to be deposited therein, subject to certain limits set forth in the Existing Senior Loan Agreements.

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

**Table of Senior Obligations
(The Project Areas)
as of June 30, 2023**

Lien	Series	Project Area	Outstanding Par Amount⁽¹⁾	Final Maturity⁽²⁾
Senior Lien (Existing Senior Loans)	1998C	Non-Mission Bay (RP)	\$1,072,519	8/1/2024
	1998D	Non-Mission Bay (GG, HP, WA, YB)	\$6,766,855	8/1/2024
	2006A	Non-Mission Bay (GG)	\$20,781,443	8/1/2036
	2007A	Mission Bay North ⁽³⁾	\$9,835,000	8/1/2037
		Non-Mission Bay (BV, RP, SM, TB)	\$82,460,000	8/1/2037
	2009E	Mission Bay South ⁽⁴⁾	\$2,605,000	8/1/2025
		Non-Mission Bay (BV, RP, WA, YB)	\$53,215,000	8/1/2039
		Mission Bay⁽³⁾⁽⁴⁾	\$12,440,000	
		Non-Mission Bay	\$164,295,817	
		Total Senior Lien Existing Senior Loans	\$176,735,817	
Second Lien Debt	2014B	Non-Mission Bay	\$19,425,000	8/1/2035
	2014C	Non-Mission Bay	\$2,795,000	8/1/2029
	2017D	Non-Mission Bay	\$65,770,000	8/1/2041
	2017E	Non-Mission Bay	\$17,645,000	8/1/2041
		Total Second Lien Debt	\$105,635,000	
		Mission Bay⁽³⁾⁽⁴⁾	\$12,440,000	
		Non-Mission Bay	\$269,930,817	
		Total Senior Obligations	\$282,370,817	

Legend: BV – Bayview Hunters Point RP – Rincon Point-South Beach
GG – Golden Gateway SM – South of Market
HP – Hunters Point TB – Transbay
IB – India Basin Industrial Park WA – Western Addition
YB – Yerba Buena Center

⁽¹⁾ Principal payments of Existing Senior Loans due on June 30, 2023, are set forth in this table as being outstanding until paid on August 1, 2023, pursuant to the Authority Bonds to which they relate.

⁽²⁾ Final maturities of Existing Senior Loans are set forth in this table as occurring on the August 1 immediately following such maturities.

⁽³⁾ Represents loan secured by (i) tax increment revenues generated within the Mission Bay North Project Area, and (ii) the Housing Set-Aside generated within the Project Areas on a basis senior to the Second Lien Debt, the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds.

⁽⁴⁾ Represents loan secured by (i) tax increment revenues generated within the Mission Bay South Project Area, and (ii) the Housing Set-Aside generated within the Project Areas on a basis senior to the Second Lien Debt, the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds.

Source: Successor Agency.

Project Area-Specific Prior Obligations. Tax increment revenue from certain of the Project Areas is subject to other obligations that are senior to the payment of debt service on the 2023A/B Bonds.

South of Market Project Area. A portion of the tax increment revenue from the Original Sub-Area of the South of Market Project Area is potentially allocable to school districts under Section 33676(a) of the Redevelopment Law and the Santa Ana Section 33676 Decision described in the FISCAL CONSULTANT REPORT attached hereto as APPENDIX B, wherein this obligation is referred to as a “senior obligation.” This portion is potentially payable on a basis senior to the payment of debt service on the 2023A/B Bonds. The

amount of tax revenue potentially payable to the school entities is estimated to be \$77,000 for Fiscal Year 2022-23.

Yerba Buena Center Approved Project Area D-1. In the Yerba Buena Center Approved Project Area D-1, consistent with an amendment to its redevelopment plan, a portion of the tax increment revenues (i.e., 2% of growth) from the Emporium Sub-Area is allocated to certain Taxing Entities. Distribution of this 2% occurs prior to calculation of tax increment revenue available for payment of debt service on the 2023A/B Bonds. The portion of assessed valuation excluded from tax increment in this manner is approximately \$38.2 million in Fiscal Year 2022-23 or approximately \$382,000 in tax increment. See APPENDIX B – “FISCAL CONSULTANT REPORT” wherein this obligation is referred to as a “senior obligation.”

Property Tax Administration Fees. Pursuant to the Redevelopment Dissolution Act, beginning for Fiscal Year 2012-13, the City Controller charges the Successor Agency the City Controller Administration Fee to recover property tax administration costs. For Fiscal Year 2022-23, the City Controller Administration Fee was approximately \$62,000. For Fiscal Year 2023-24, it is expected to be approximately \$45,000. See “ – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Property Tax Administration Fees*” and “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedures – *Property Tax Administrative Costs*.”

Existing Third Lien Parity Debt

Payment of debt service on the 2023A/B Bonds from Pledged Tax Revenues is on a parity with the Successor Agency’s obligations to pay debt service on the Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2017 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects) (together, the “**2017A/B Bonds**”) and the Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2021 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) (Social Bonds) (the “**2021A Bonds**”). As of June 30, 2023, the 2017A/B Bonds are outstanding in the aggregate principal amount of \$44,350,000 and the 2021A Bonds are outstanding in the aggregate principal amount of \$127,210,000. Prior to the issuance of the 2023A/B Bonds, the 2017A/B Bonds and the 2021A Bonds are the only Third Lien Parity Debt.

Limitations on Additional Indebtedness

Senior Debt. Under the Indenture, the Successor Agency has covenanted that so long as the Third Lien Bonds are Outstanding, the Successor Agency will not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues (as defined in the Existing Senior Loan Agreements) or Pledged Tax Revenues on a basis senior to payment of debt service on the Third Lien Bonds and any other Third Lien Parity Debt issued in the future, except for obligations issued to refund any of the Senior Obligations, so long as the debt service in any Bond Year does not increase as a result of such refunding. Further, the Successor Agency covenants that, so long as the Third Lien Bonds are Outstanding, the Successor Agency will not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Pledged Tax Revenues, other than Third Lien Parity Debt meeting the requirements of the Indenture and any Subordinate Debt. See also “– Senior Obligations” above. The Successor Agency has also covenanted that it will not otherwise encumber, pledge or place any charge or lien upon any of the Pledged Tax Revenues or other amounts pledged to the Third Lien Bonds superior or equal to the pledge and lien created for the benefit of the Third Lien Bonds under the Indenture.

Third Lien Parity Debt. In addition to the 2023A/B Bonds, the Successor Agency may issue additional bonds (including pursuant to a Supplemental Indenture) or incur other loans, advances or indebtedness, which are secured by and payable from Pledged Tax Revenues on a parity with the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds and other Third Lien Parity Debt issued in the future (“**Third Lien Debt**”) for any purpose provided for in the Redevelopment Dissolution Act, including, but not limited to, refunding existing indebtedness of the Successor Agency in accordance with Section 34177.5(a) of the Redevelopment Dissolution Act, and funding the affordable housing obligations and the infrastructure obligations described in Section 34177.7(a)(1)(A) and (B) of the Redevelopment Dissolution Act, in such principal amount as will be determined by the Successor Agency, subject to the following specific conditions, which are all conditions precedent to the issuance and delivery of such Third Lien Parity Debt:

(a) No event of default under the Indenture or under any Parity Debt Instrument will have occurred and be continuing unless such event of default will be cured by the issuance of such Third Lien Parity Debt;

(b) Pledged Tax Revenues (after adding back amounts payable pursuant to the Existing Senior Loan Agreements, any debt issued on parity with the Existing Senior Loan Agreements and Second Lien Debt) received or to be received for the then current Fiscal Year based on the most recent taxable valuation of property in the Project Areas as evidenced in a written document from an appropriate official of the City, exclusive of State subventions and taxes levied to pay voter approved outstanding general obligation bonded indebtedness, will be at least equal to one hundred twenty-five percent (125%) of Maximum Annual Debt Service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt and the Third Lien Debt that will be outstanding immediately following the issuance of such Third Lien Parity Debt, provided that, in the case of a refunding, in whole or in part, of the Existing Senior Loans, the Second Lien Debt or the Third Lien Debt, the requirements set forth in this section (b) do not need to be met if the debt service on the Third Lien Parity Debt in each bond year either will be less than the debt service in each bond year on the Existing Senior Loans, the Second Lien Debt, or the Third Lien Debt being refunded;

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

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

The Successor Agency currently anticipates needing to finance approximately \$[] million of infrastructure in the Transbay Project Area in the next five years and approximately \$[] million of affordable housing by 2030 and anticipates doing so through the issuance of additional bonds on a parity with the 2023A/B Bonds. The amounts and time in the preceding sentence reflect current projections; no assurance can be given as to the exact timing or amount of any additional bond issuances.

Subordinate Debt. Under the Indenture “**Subordinate Debt**” is defined as loans, advances or other indebtedness issued or incurred by the Successor Agency that are either: (a) payable from, but not secured by a pledge of or lien upon, the Pledged Tax Revenues; or (b) secured by a pledge of or lien upon the Pledged Tax Revenues that is expressly subordinate to the pledge of and lien upon the Pledged Tax Revenues under the Indenture for the security of the Third Lien Parity Debt. The Successor Agency may issue or incur Subordinate Debt in such principal amount as may be determined by the Successor Agency. Such Subordinate Debt may be payable from any assets or property of the Successor Agency, including Pledged Tax Revenues, on a subordinate basis to the payment of debt service on the Third Lien Bonds.

Recognized Obligation Payment Schedule

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

Pursuant to SB 107, commencing on February 1, 2016, successor agencies transitioned to an annual ROPS process pursuant to which successor agencies are required to submit by each February 1 their oversight board-approved ROPS for the July 1 through June 30 period to the California Department of Finance for its approval and to the successor agencies' respective auditor-controllers. If the Successor Agency does not timely submit an Oversight Board-approved ROPS to the California Department of Finance and the City Controller, then the Successor Agency will be subject to a \$10,000 per day civil penalty for every day the ROPS is late. Additionally, if the Successor Agency does not submit a ROPS to the California Department of Finance and the City Controller within ten (10) days of the deadline, then the Successor Agency's maximum administrative cost allowance may be reduced by up to twenty-five percent (25%). For additional information regarding procedures under the Redevelopment Dissolution Act relating to late ROPSs and implications thereof for the 2023A/B Bonds, see "CERTAIN RISK FACTORS – Recognized Obligation Payment Schedule." Also see "– Last and Final Recognized Obligation Payment Schedule" below for a description of the Last and Final ROPS authorized by the Redevelopment Dissolution Act pursuant to SB 107.

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

Further, the Successor Agency covenants to take all actions required under the Redevelopment Dissolution Act to include

- (i) scheduled debt service on the Existing Senior Loans, the Second Lien Debt and any amounts required to replenish any reserve account established under an Existing Senior Loan Agreement, the indenture pursuant to which the 2014 Bonds were issued or any instrument pursuant to which any other Second Lien Debt is issued,
- (ii) scheduled debt service on the 2017A/B Bonds, the 2021A Bonds and any Third Lien Parity Debt, which includes the 2023A/B Bonds, and any amount required under the Indenture or any Parity Debt Instrument to replenish the Reserve Account or the reserve account established under any Parity Debt Instrument, and
- (iii) amounts due to any Insurer under the Indenture or under an insurance or surety bond agreement, [including the Insurance Policies and the [Reserve Policies]],

in each annual ROPS so as to enable the City Controller to distribute from the RPTTF to the Successor Agency's Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to

pay principal of, and interest on, the Third Lien Bonds coming due in the respective six-month period and to pay amounts owed to any bond insurer, as well as the other amounts set forth above.

These actions will include, without limitation, placing on the periodic ROPS for approval by the Oversight Board and California Department of Finance the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of Section 34171 of the Redevelopment Dissolution Act, that are necessary to comply with the Indenture. Not later than each February 1 (or at such other time as may be required by the Redevelopment Dissolution Act) for so long as any of the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt or the Third Lien Bonds, including the 2023A/B Bonds, remain outstanding or any amounts owing to an Insurer remain unpaid, (a) the Successor Agency will place on the ROPS relating to the January 2 disbursement date all amounts that, together with other amounts on deposit in the RPTTF reserved for payment of debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, or on deposit in the Special Fund or in the special fund relating to such other debt, are sufficient to pay debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, on the immediately succeeding February 1 and August 1, and (b) if the Successor Agency determines it is necessary to do so to ensure receiving sufficient tax increment revenues from the Project Areas to pay debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, on a timely basis, the Successor Agency will place on the ROPS relating to the June 1 disbursement date amounts required to pay debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, on the next succeeding August 1. Additionally, if the Successor Agency determines it is necessary to ensure timely payment of debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, the Successor Agency may also collect on each January 2 a reserve to be held for debt service on the Existing Senior Loan Agreements, any debt issued on a parity with the Existing Senior Loan Agreements, the Second Lien Debt, and the Third Lien Debt, including the 2023A/B Bonds, on February 1 and August 1 of the next succeeding calendar year. Further, the Successor Agency will place any amounts required to replenish the Reserve Account established under the Indenture or the reserve account established under any Parity Debt Instrument and any amounts owing to any Insurer under the Indenture or under an insurance or surety bond agreement, [including the Insurance Policies and the Reserve Policies], on its next Recognized Obligation Payment Schedule upon any such amounts becoming owing.

Under the Indenture, without in any way limiting the foregoing, the Successor Agency covenants to place on the Recognized Obligation Payment Schedule relating to the June 1, 2024, and January 2, 2025, disbursement dates, (i) all amounts required to pay debt service on the 2023A/B Bonds on August 1, 2024, for distribution to the Successor Agency on June 1, 2024, and (ii) all amounts that, together with other amounts on deposit in the RPTTF reserved for payment of debt service on the 2023A/B Bonds, are sufficient for the payment of debt service on the 2023A/B Bonds on February 1, 2025, and August 1, 2025, for distribution to the Successor Agency on January 2, 2025.

The Successor Agency further covenants that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the City Controller if the amount of Tax Revenues available to the Successor Agency from the RPTTF on the upcoming June 1 or January 2, as applicable, is insufficient to pay debt service on the Third Lien Bonds or any other Third Lien Parity Debt, to replenish the Reserve Account or the reserve account established under any Parity Debt Instrument and to pay any Insurer any amounts owing under the Indenture or under an insurance or surety bond agreement, [including the Insurance Policies or the Reserve Policies.]

[If any amounts then due and payable to [2023 Insurer] under the Indenture are not included on any current Recognized Obligation Payment Schedule and the Successor Agency is then legally permitted to amend such Recognized Obligation Payment Schedule, the Successor Agency will submit to its Oversight Board and the California Department of Finance a request to amend such Recognized Obligation Payment Schedule to include such amounts then due and payable to [2023 Insurer]].

The Successor Agency will not submit to its Oversight Board and the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS pursuant to Section 34191.6 of the Redevelopment Dissolution Act without the prior written consent of [AGM and] [2023 Insurer], unless all amounts that could become due and payable to [AGM and] [2023 Insurer] under the Indenture would be included as a line item on the Last and Final ROPS following approval of the requested amendment.

Last and Final Recognized Obligation Payment Schedule

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

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

The Successor Agency does not currently intend to submit a Last and Final ROPS. The Successor Agency has covenanted in the Indenture not to submit to the Oversight Board and the California Department of Finance a request for the final amendment permitted for its Last and Final ROPS pursuant to Section 34191.6 of the Redevelopment Dissolution Act without the prior written consent of [AGM and] [2023 Insurer], unless all amounts that could become due and payable to [AGM and] [2023 Insurer] under the

Indenture would be included as a line item on the Last and Final ROPS following approval of the requested amendment.

[BOND INSURANCE]

The information under this section has been prepared by [2023 Insurer] for inclusion in this Official Statement. Neither the Successor Agency nor the Underwriters have reviewed this information, nor do the Successor Agency or the Underwriters make any representation with respect to the accuracy or completeness thereof.]

[Insert if applicable.]

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 of the City serves as the legislative body of the Successor Agency and delegated, by Ordinance No. 215-12 adopted on Oct. 4, 2012, its authority under the Redevelopment Dissolution Act to the Successor Agency Commission. Within City government, the Successor Agency is titled “The Office of Community Investment and Infrastructure as the Successor to the San Francisco Redevelopment Agency.” Set forth below is a discussion of the history of the Former Agency and the Successor Agency, the governance and operations of the Successor Agency and its powers under the Redevelopment Law and the Redevelopment Dissolution Act, and the limitations thereon.

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

Authority and Personnel

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

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

<u>Name</u>	<u>Occupation</u>	<u>First Appointed</u>	<u>Term Expires</u>
Vanessa Ross Aquino	Community Organizer	2023	November 3, 2024
Bivett Brackett	Small Business Owner	2019	November 3, 2024
Tamsen Drew	Attorney	2023	November 3, 2026
Alex Ludlum	Real Estate Professional	2022	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 Project and Programs, which currently is vacant; 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 adopted by the Board of Supervisors on October 2, 2012 and signed by the Mayor on October 4, 2012, the Board of Supervisors: (i) officially gave the following name to the Successor Agency: the “**Successor Agency to the Redevelopment Agency of the City and County of San Francisco**”; (ii) created the Successor Agency Commission as the policy body of the Successor Agency; (iii) delegated to the Successor Agency Commission the authority to act in place of the Former Agency’s Commission to implement the surviving redevelopment projects, the replacement housing obligations and other enforceable obligations of the Former Agency and the authority to take actions that AB 26 and AB 1484 require or allow on behalf of the Successor Agency; and (iv) established the composition and terms of the members of the Successor Agency Commission. As discussed below, many actions of the Successor Agency are subject to approval by the Oversight Board and review or approval by the California Department of Finance, including the issuance of bonds such as the 2023A/B Bonds.

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: a) clarified the authority of the Successor Agency to issue bonds for affordable housing and certain infrastructure (California Health & Safety Code § 34177.7); b) 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 Sections 33333.2, 33333.4, and 33333.6 of the Redevelopment Law; and c) authorized the Successor Agency to secure new debt with the property tax revenues (former tax increment) from project areas that had generated tax increment upon the dissolution of the Former Agency on February 1, 2012 (Stats. 2015, ch. 325, § 27(e)). Significantly, these project areas include those with redevelopment plans that may have expired for other purposes but that continue to be a source of funds for repayment of indebtedness. 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. See “– Continuing Activities” below for more information relating to Section 34177.7.

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

Department of Finance Finding of Completion

The 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 (review by the California Department of Finance) by November 9, 2012 with respect to affordable housing funds and by April 1, 2013 with respect to non-housing funds. On May 23, 2013, the Successor Agency promptly remitted to the City Controller the amounts of unobligated balances relating to affordable housing funds, determined by the California Department of Finance in the amount of \$10,577,932, plus \$1,916 in interest. On May 23, 2013, the Successor Agency promptly remitted to the City Controller the amount of unobligated balances relating to all other funds determined by the California Department of Finance in the amount of \$959,147. The Successor Agency has made all payments required under AB 1484 and received its finding of completion from the California Department of Finance on May 29, 2013.

State Controller Asset Transfer Review

The Redevelopment Dissolution Act requires that any asset of a former redevelopment agency transferred to a city, county or other local agency after January 1, 2011, be sent back to the successor agency. The Redevelopment Dissolution Act further requires that the State Controller review any such transfer. On September 23, 2014, the State Controller notified the Successor Agency of its review of such transfers by the Former Agency. Specifically, the State Controller found that \$660,830 (0.09%) of the assets transferred by the Former Agency after January 1, 2011 were unallowable and were required to be turned over by the City to the Successor Agency. The Successor Agency received these funds back from the City in late November 2014.

Continuing Activities

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

These enforceable obligations are related to the following "**Major Approved Development Projects**": (i) the Mission Bay North Project Area; (ii) the Mission Bay South Project Area; (iii) the Hunters Point Shipyard Project Area and Zone 1-Candlestick Point Site of the Bayview Hunters Point Project

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

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 PROJECT AREAS

General

As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS,” the 2023A/B Bonds are secured by Pledged Tax Revenues generally consisting of tax increment revenues generated within the Project Areas remaining after payment of the City Controller Administration Fee, the Existing Senior Loan Agreements and the Second Lien Debt. The Project Areas consist of the following:

- Bayview Hunters Point Project Area – Zone 2 of Project Area B*
- Bayview Hunters Point Project Area – Project Area A
- Embarcadero-Lower Market (“Golden Gateway”) Project Area
- Hunters Point Hill Residential District (Hunters Point Shipyard Project Area)*
- India Basin Industrial Park Project Area
- Rincon Point – South Beach Project Area
- South of Market Project Area
- Transbay Project Area*
- Western Addition Project Area A-2
- Yerba Buena Center Approved Project Area D-1

* Bayview Hunters Point Project Area – Zone 2 of Project Area B excludes Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B. See “– Project Areas – Bayview Hunters Point Project Area – Zone 2 of Project Area B.” The projections of tax increment revenues available to pay debt service on the 2023A/B Bonds exclude tax increment from areas in the Hunters Point Shipyard Project Area other than the Hunters Point Hill Residential District and the State-Owned Parcel Net Tax Increment. See “– Project Areas – Hunters Point Hill Residential District (Hunters Point Shipyard Project Area).” . See also “– Project Areas – Transbay Project Area” and “INTRODUCTION – Excluded Project Areas.”

Under the Indenture, Pledged Tax Revenues exclude amounts required to be paid to the TIPA in accordance with the redevelopment plan for the Transbay Project Area (i.e. State-Owned Parcel Net Tax Increment). Therefore, State-Owned Parcel Net Tax Increment is not available for payment of debt service on the 2023A/B Bonds. State-Owned Parcel Net Tax Increment for Fiscal Year 2022-23 is approximately \$26.6 million. See Appendix B – “Fiscal Consultant Report.” The tax increment from the State-Owned Parcels in excess of the State-Owned Parcel Net Tax Increment is deposited into the RPTTF. For Fiscal Year 2022-23, such excess totaled approximately \$21.4 million. Of such excess, the tax increment from the State-Owned Parcels in an amount equal to the former State-Owned Parcels Housing Set-Aside and the amount equal to the Statutory Pass-Through Amounts payable to taxing entities with respect to the State-Owned Parcels, to the extent subordinated, is anticipated to be available for payment of debt service on the Existing Senior Loan Agreements, the Second Lien Debt, the 2017A/B Bonds, the 2021A Bonds and the 2023A/B Bonds. For Fiscal Year 2022-23, such tax increment totaled \$ _____. See “INTRODUCTION – Excluded Project Areas,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Former Housing Fund*” and “– *Statutory Pass-Through Amounts are Subordinated to Payment of Debt Service on the 2023A/B Bonds*.”

Redevelopment Plans

Under the Redevelopment Law, a city or county that activated a redevelopment agency was required to adopt, by ordinance, a redevelopment plan for each redevelopment project to be undertaken by the redevelopment agency. A redevelopment agency could only undertake those activities within a redevelopment project area specifically authorized in the adopted redevelopment plan. A redevelopment plan is a legal document, the content of which is largely prescribed in the Redevelopment Law, rather than a “plan” in the customary sense of the word. The Former Agency adopted a redevelopment plan for each of the Project Areas, each of which originally included separate time and financial limitations applicable to such Project Area. However, SB 107 provides that the time limits for receiving property tax revenues and the limitation on the amount of property tax revenues that may be received by the Former Agency and the Successor Agency as set forth in these redevelopment plans are not effective for purposes of paying the Successor Agency’s enforceable obligations, such as the 2023A/B Bonds. As a result, the projections set forth in this Official Statement and in the Fiscal Consultant’s Report attached hereto as APPENDIX B were prepared without regard to the time and financial limitations set forth in any of the redevelopment plans. Certain information regarding the redevelopment plans for these Project Areas can be found in the FISCAL CONSULTANT REPORT attached hereto as APPENDIX B.

Project Areas

A brief description of each of the Project Areas is set forth below. Additional information regarding the Project Areas can be found in the FISCAL CONSULTANT REPORT attached hereto as APPENDIX B.

Bayview Hunters Point Project Area – Zone 2 of Project Area B. The 1,081-acre Bayview Hunters Point Project Area – Zone 2 of Project Area B consists of residential, commercial, industrial, and public uses in the Bayview Hunters Point community, which is located in the southeast quadrant of San Francisco. As defined herein, this project area includes Zone 2 of the larger Bayview Hunters Point Project Area B, but excludes Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B. Tax increment revenue from Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B is not pledged to the payment of the 2023A/B Bonds and is part of what is referred to herein as the “Excluded Project Areas.”

The Bayview Hunters Point Project Area – Zone 2 of Project Area B includes the majority of the length of Bayview’s portion of the Third Street commercial corridor, which extends from Cesar Chavez Street on the north side, to Meade Street and Highway 101 on the south side. The project area also includes large portions of industrial and residential areas west of Third Street towards Bayshore Boulevard, east of

Third Street, roughly between Palou Street and Jamestown Street, towards the Yosemite Slough, and a residential district near the India Basin shoreline adjacent to the Bayview Hunters Point Project Area – Project Area A.

Bayview Hunters Point Project Area – Project Area A. The Bayview Hunters Point Project Area – Project Area A is a 137-acre hilly residential tract located in Bayview Hunters Point on a site formerly occupied by temporary federal wartime housing. It is bounded by Fairfax Avenue on the north, Griffith Street on the east, Palou Avenue on the south and Mendell Street on the west. It extends five blocks on its east-west axis and ten blocks in the north-south direction. Pursuant to the redevelopment plan for this project area, over 1,760 new rental, co-op, condominium and ownership units have been constructed and 122 homes have been rehabilitated in this project area. Community improvements include major new roadways and their associated streetscape improvements, a number of neighborhood parks, community facilities and schools.

Embarcadero-Lower Market (“Golden Gateway”) Project Area. The Embarcadero-Lower Market (“Golden Gateway”) Project Area is an approximately 51-acre high density district located along the Embarcadero, largely north of Market Street and east of Battery Street. This project area is developed with approximately 1,400 housing units, an approximately 800-room hotel, approximately 3.5 million square feet of office and commercial space (including the Embarcadero Center) and twelve acres of public parks and open space, as well as the Embarcadero Station of the BART.

Hunters Point Hill Residential District (Hunters Point Shipyard Project Area). The Hunters Point Hill Residential District (Hunters Point Shipyard Project Area) is approximately 74 acres that consists of residential, retail, and community uses in the Bayview Hunters Point community located in the southeast quadrant of San Francisco. As defined herein, this project area includes the Hunters Point Residential District of the Hunters Point Shipyard Project Area, but excludes the remaining land use districts within the Hunters Point Shipyard Project Area. Tax increment revenue from the remaining land use districts within the Hunters Point Shipyard Project Area is not pledged to the payment of the 2023A/B Bonds. See also “INTRODUCTION – Excluded Project Areas.”

The Hunters Point Hill Residential District consists of two geographic areas, the “Hilltop” and the “Hillside”. The two sites are entitled for 1,428 housing units, of which approximately twenty-nine percent (29%) will be rented or sold at rents or sale prices that are below market, and up to 20,000 square feet of retail. The Hilltop consists of Block 1 and Blocks 49 through 57. Vertical developers have received major phase approvals for all private development blocks on the Hilltop. As of [____], 2023, [] units of housing, including [] below-market sale and rental units, have been completed on Blocks 49, 50, 51, 53, 54, 55, 56 and 57 since Fiscal Year 2014-15. Site permits for construction have been issued on an additional [] units of housing, of which [] will be below-market rate sale units. The Hillside consists of Block 48, which has 404 housing units, of which [] are below market rate sale and rental units. To date, vertical developers have received major phase approvals for all private development blocks on the Hillside.

Within the Hunters Point Hill Residential District, the Successor Agency has an enforceable obligation to build an additional [] units of affordable housing, of which [] below-market rate units will be located on the Hilltop and [] below-market rate units will be located on the Hillside.

[A class action lawsuit that has been filed seeks, among other relief, to enjoin development at the Hunters Point Shipyard Project Area, which could include certain land in the Hunters Point Hill Residential District. See “CERTAIN RISK FACTORS – Hazardous Substances.”] **[Update?]**

India Basin Industrial Park Project Area. The India Basin Industrial Park Project Area encompasses approximately 126 acres of commercial and light industrial development in Bayview Hunters Point. It is bounded by Third Street on the west, Jennings Street on the east, Arthur Avenue on the north

and Hudson Avenue and Galvez Avenue on the south. This project area includes a large United States Postal Service distribution facility, several light industrial, commercial service and multimedia businesses and some retail businesses.

Rincon Point-South Beach Project Area. The Rincon Point-South Beach Project Area is an approximately 115-acre area consisting of two noncontiguous subareas located within the northeastern waterfront area of San Francisco, immediately south of the Ferry Building. The major artery through this project area is the Embarcadero Roadway, which connects the project area to the City's financial district to the north and to the Mission Bay district to the south. Over 2,800 residential units and over one million square feet of mid- and high-rise office space have been constructed in this project area. In 2000, the approximately 43,000-seat major league baseball park for the San Francisco Giants (Oracle Park) opened in the project area on land owned by the Port of San Francisco (the "**Port**"). Public improvements completed in the project area include the 700-berth South Beach Harbor, two major waterfront parks and roadway and streetscape improvements.

South of Market Project Area. The South of Market Project Area, which is comprised of two areas: the Original Sub-Area and the Western Expansion Sub-Area, is approximately sixty-nine acres in size and located in the central city area of San Francisco. This project area is roughly bounded by Stevenson, Mission and Natoma Streets on the north, Fifth Street on the east, Harrison Street on the south and Seventh Street on the west. Its focus is the Sixth Street corridor, a mixed-use community located between Market and Harrison Streets.

Transbay Project Area. The Transbay Project Area is approximately 40 acres in size and roughly bounded by Mission Street on the north, Main Street on the east, Folsom Street on the south, and Second Street on the west. As described in "INTRODUCTION – Excluded Project Areas," State-Owned Parcel Net Tax Increment from the State-Owned Parcels, which total approximately 10 acres of land, is not pledged as security to pay debt service on the 2023A/B Bonds, because those revenues have been previously pledged to the TJPA to help pay the cost of replacing the former Transbay Terminal. However, the former State-Owned Parcels Housing Set-Aside and the Statutory Pass-Through Amounts are available for payment of debt service on the Existing Senior Loan Agreements, the Second Lien Debt and the Third Lien Debt, including the 2023A/B Bonds. See "INTRODUCTION – Excluded Project Areas – *Excluded Tax Increment from State-Owned Parcels.*"

The Transbay Project Area currently is composed of transportation-related infrastructure, high-rise and mid-rise commercial and residential development, and vacant public and private parcels entitled for high-rise and mid-rise commercial and residential development. The area currently includes a mix of market rate and affordable housing, new commercial buildings, one new park with another two in the predevelopment phase, and retail to serve residents and the larger community. Numerous major developments recently have been completed within the Transbay Project Area.

Western Addition Project Area A-2. The Western Addition Project Area A-2 is an approximately 277-acre area located in the northeast quadrant of San Francisco. It encompasses portions of the area bounded by Van Ness Avenue, Bush Street, Broderick Street and Grove Street. Its land uses are predominantly multi-family residential, with retail, commercial, public and institutional uses concentrated along the project area's main commercial corridors.

Yerba Buena Center Approved Project Area D-1. The Yerba Buena Center Approved Project Area D-1 consists of an approximately 87-acre area in the central city area of San Francisco. This project area contains the Moscone Center convention center, cultural institutions of regional importance, such as the Yerba Buena Center for the Arts and the San Francisco Museum of Modern Art, as well as the Yerba Buena Gardens, recreational uses and the Children's Creativity Museum. The project area is located in the southwest portion of San Francisco's downtown office, hotel and retail district and is developed with high-

rise and mid-rise hotels, and residential and commercial buildings. It extends from Market Street on the north to Harrison Street on the south, and from Second Street on the east to Fourth Street on the west, and includes the Emporium Sub-Area, which contains the Westfield San Francisco Centre regional shopping mall, located between Market Street and Mission Street and between Fourth Street and Fifth Street.

Assessed Valuation and Other Information Regarding the Project Areas

The assessed valuation of each of the Project Areas for the current Fiscal Year by land use category is set forth on the following Table 1.

Table 1
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Assessed Value by Land Use in the Project Areas, Fiscal Year 2022-23⁽¹⁾

Category by Value	Bayview Hunters Point Project Area B ⁽²⁾	Embarcadero- Lower Market ("Golden Gateway") Project Area	Bayview Hunters Point Project Area – Project Area A	Hunters Point Hill Residential District	India Basin Industrial Park Project Area	Rincon Point – South Beach Project Area	South of Market Project Area
Commercial	\$220,661,949	\$2,560,027,008	-	-	\$39,321,178	\$549,349,577	\$279,145,545
Industrial	1,542,841,884	-	-	-	80,823,889	-	131,595,969
Residential							
<i>Single-Family</i>	652,580,035	-	\$118,830,069	\$96,274,378	-	-	23,186,825
<i>Condominiums</i>	188,743,268	232,755,857	9,636,177	251,284,090	-	1,276,169,802	408,596,929
<i>Other</i>	247,146,729	84,608,616	57,388,176	9,322,716	-	381,874,421	635,602,519
Vacant	284,859,089	186	1,177,322	60,950,447	6,717,389	-	357,290,031
Other Secured ⁽³⁾	52,197,425	2,750,943	1,477,000	1,873,772	-	2,361,393	50,163,788
SBE-Assessed Utilities ⁽⁴⁾	392,040	298,757	-	-	-	935,000	-
Unsecured	215,991,125	517,950,324	326,524	1,129,559	37,067,884	796,689,738	41,376,408
Total	\$3,405,413,544	\$3,398,391,691	\$188,835,268	\$420,834,962	\$163,930,340	\$3,007,379,931	\$1,926,958,014
Acreage	1,361	51	137	N/A	126	115	69

Category by Value	Transbay Project Area ⁽⁵⁾	Western Addition Project Area A-2	Yerba Buena Center Approved Project Area D-1	Total Value ⁽¹⁾	% of Total Value	Number of Properties Levied
Commercial	\$7,013,869,049	\$643,709,051	\$3,060,457,716	\$14,366,541,073	41.7%	638
Industrial	14,694,026	-	51,114,173	1,821,069,941	5.3%	871
Residential						
<i>Single-Family</i>	-	113,324,632	-	1,004,195,939	2.9%	1,881
<i>Condominiums</i>	2,000,129,849	1,557,044,952	1,895,486,197	7,819,847,121	22.7%	7,903
<i>Other</i>	1,072,109,210	1,191,313,658	527,472,162	4,206,838,207	12.2%	969
Vacant	323,875,605	36,280,312	38,191,631	1,109,342,012	3.2%	942
Other Secured ⁽³⁾	996,800	22,470,104	25,064,055	159,355,280	0.5%	344
SBE-Assessed Utilities ⁽⁴⁾	-	-	16,962	1,642,759	0.0%	-
Unsecured	1,197,988,183	75,858,709	1,075,178,727	3,959,557,181	11.5%	3,240
Total	\$11,623,662,72	\$3,640,001,418	\$6,672,981,623	\$34,448,389,513	100.0%	17,132
Acreage	40	277	87	2,263		

⁽¹⁾ Assessed valuations are as of July 1, 2022.

⁽²⁾ Amounts shown here include assessed value of Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B, in the amount of \$182.0 million, or approximately \$1.8 million in tax increment revenue, which amounts are not available to pay debt service on the 2023A/B Bonds.

⁽³⁾ Includes other land use classifications and homeowner exemptions.

⁽⁴⁾ Non-unitary property assessed by the State Board of Equalization.

⁽⁵⁾ Amounts shown here include values for State-Owned Parcels, a portion of the tax increment from which is not available to pay debt service on the 2023A/B Bonds. See "INTRODUCTION – Excluded Project Areas – Excluded Tax Increment from State-Owned Parcels."

Sources: Assessor; Urban Analytics.

The ten largest taxpayers by assessed valuation in the Project Areas, in aggregate, in Fiscal Year 2022-23 are set forth below in Table 2. Ownership concentration for these top taxpayers is 25.0% of total assessed valuation and 26.8% of incremental assessed valuation in the Project Areas. See “CERTAIN RISK FACTORS – Concentration of Property Ownership.”

Table 2
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Top Ten Taxpayers By Assessed Valuation in the Project Areas, Fiscal Year 2022-23

Assessee Name ⁽¹⁾	Project Area	Use	Parcel Count	Fiscal Year 2021-22 Value	Percent of Total Aggregate Value	Percent of Incremental Value
TRANSBAY TOWER LLC ²	Transbay	Office	1	\$1,839,390,574	5.3%	5.7%
BOSTON PROPERTIES	Golden Gateway	Office	4	1,608,888,992	4.7%	5.0%
PARK TOWER OWNER LLC ²	Transbay	Office	1	1,118,038,941	3.2%	3.5%
EMPORIUM MALL LLC * (2020-21, 2021-22)	Y-C - Emporium	Commercial/ Retail	5	819,319,636	2.4%	2.6%
706 MISSION STREET CO LLC	Y-C - Original	Residential	135	718,011,625	2.1%	2.2%
UNION INVESTMENT REAL ESTATE G	Transbay	Office	1	528,527,800	1.5%	1.6%
MARRIOTT HOTEL * (2020-21, 2021-22)	Y-C - Original	Hotel	1	512,003,966	1.5%	1.6%
CHINA BASIN BALLPARK CO	Rincon	Sports Facility	4	507,680,756	1.5%	1.6%
181 FREMONT OFFICE LLC	Transbay	Office	1	504,809,720	1.5%	1.6%
PPF OFF ONE MARITIME PLAZA LP	Golden Gateway	Office	3	444,877,141	1.3%	1.4%
Totals			156	\$8,601,549,151	25.0%	26.8%

* The owner has one or more appeals pending in the years indicated.

(1) The Millennium Towers in the Transbay Project Area is assessed through its individual condominium owners, a number of whom have pending assessment appeals. The combined assessment for all condominiums in the building is \$794,829,105, or 2.3% of total aggregate value and 2.5% of incremental value. See “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

(2) The Transbay Tower and Park Tower properties are located on the State-Owned Parcels; approximately 55% of the tax increment revenue from these properties represents State-Owned Parcel Net Tax Increment and is therefore not available for debt service on the 2023A/B Bonds. See “Introduction – Excluded Project Areas – Excluded Tax Increment from State-Owned Parcels.”

Sources: Assessor; Urban Analytics.

As set forth in Table 2, above, Emporium Mall LLC and Marriott Hotel are appealing their assessed valuations for certain Fiscal Years. See “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

The assessed valuation of the Millennium Tower (defined herein) condominium building in the Transbay Project Area consists of assessments on individual property owners which do not separately appear among the top ten largest assessees. Taken as a whole, the constituent condominium assessments in the Millennium Tower would appear as the fifth largest taxpayer in the Project Areas; the 419 condominiums in the building total \$794,829,105 in Fiscal Year 2022-23 assessed valuation, or 2.3% of total valuation and 2.5% of incremental valuation for the Project Areas. As discussed under “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals” below, the Millennium Tower is currently subject to assessment appeals related to the settling and tilting of the building.

The Project Areas include two other residential condominium buildings in addition to the Millennium Tower whose constituent condominium assessments would, if taken in the aggregate, be included among the ten largest taxpayers for Fiscal Year 2022-23. These buildings are located at [706 Mission Street] with an aggregate valuation of \$758.2 million, which would make it the seventh largest taxpayer if the Millennium Tower was included as a taxpayer, and 765 Market Street with an aggregate

valuation of \$515.9 million, which would make it the ninth largest taxpayer if the Millennium Tower and [706 Mission Street] were included as taxpayers. Both of these properties are Four Seasons Residences properties. [None of these condominium buildings, including the Millennium Tower, is located on the State-Owned Parcels. Therefore, tax revenues from these buildings are included as security to pay debt service on the 2023A/B Bonds.]

The Transbay Towers property is located on the State-Owned Parcels. State-Owned Parcel Net Tax Increment is not available for payment of debt service on the Existing Senior Loan Agreements, the Second Lien Debt and the Third Lien Debt, including the 2023A/B Bonds. See “INTRODUCTION – Excluded Project Areas – *Excluded Tax Increment from State-Owned Parcels.*”

PLEDGED TAX REVENUES AND DEBT SERVICE

The Successor Agency has retained the Fiscal Consultant to provide projections of taxable assessed valuation and tax increment revenue from developments in the Project Areas.

Historical and Current Assessed Valuation and Tax Revenues

A summary of the projected total taxable valuation and tax increment for the Project Areas based on Fiscal Year 2022-23 roll data provided by the offices of the Assessor of the City (the “**Assessor**”), the City Controller and the State Board of Equalization is set forth in Table 3 below. Based on such roll, the total assessed valuation for Fiscal Year 2022-23 in the Project Areas, after deducting all exemptions, except the homeowner’s exemption which is reimbursed by the State, is approximately \$34.4 billion. Deducting the base year valuation for the Project Areas of approximately \$2.4 billion produces an incremental assessed valuation amount of approximately \$32.0 billion. The largest contributor to incremental assessed valuation, at 33.5%, is the Transbay Project Area, followed by the Yerba Buena Center Approved Project Area D-1 at 17.9% and the Western Addition Project Area A-2 at 11.2%. Gross tax increment, calculated by applying a one percent tax rate to the incremental assessed valuation, is \$320.4 million for Fiscal Year 2022-23, prior to deductions for the Excluded Project Areas and senior obligations.

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Table 3
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Tax Increment Estimates by Project Areas, Fiscal Year 2022-23

Project Area	Number of Acres	Total Assessed Valuation	Less Base Year Assessed Valuation	Incremental Valuation	% of Incremental Valuation	Gross Tax Increment
Bayview Hunters Point Project Area B ⁽¹⁾	1,361	\$3,405,413,544	\$1,165,228,645	\$2,240,184,899	7.0%	\$22,401,849
Embarcadero-Lower Market (“Golden Gateway”) Project Area ⁽¹⁾	51	3,398,391,691	21,172,000	3,377,219,691	10.5%	33,772,197
Bayview Hunters Point Project Area – Project Area A	137	188,835,268	2,847,427	185,987,841	0.6%	1,859,878
Hunters Point Hill Residential District (Hunters Point Shipyard Project Area)	NA	420,834,962	6,526,793	414,308,169	1.3%	4,143,082
India Basin Industrial Park Project Area	126	163,930,340	13,691,137	150,239,203	0.5%	1,502,392
Rincon Point - South Beach Project Area	115	3,007,379,931	18,092,701	2,989,287,230	9.3%	29,892,872
South of Market Project Area ⁽¹⁾⁽²⁾						
<i>Original Area</i>	63	1,839,659,712	108,585,675	1,731,074,037	5.4%	17,310,740
<i>Western Expansion Area</i>	6	87,298,302	9,360,179	77,938,123	0.2%	779,381
Transbay Project Area ⁽¹⁾	40	11,623,662,722	880,853,389	10,742,809,333	33.5%	107,428,093
Western Addition Project Area A-2	277	3,640,001,418	61,239,180	3,578,762,238	11.2%	35,787,622
Yerba Buena Center Approved Project Area D-1 ⁽³⁾						
<i>Original Area</i>	74	5,772,811,129	52,656,706	5,720,154,423	17.9%	57,201,544
<i>Emporium Site Area</i>	13	900,170,494	69,957,924	830,212,570	2.6%	8,302,126
Total	2,263	\$34,448,389,513	\$2,410,211,756	\$32,038,177,757	100.0%	\$320,381,778

⁽¹⁾ In the Bayview Hunters Point Project Area B, project area tax increment revenue from Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B, estimated to be \$1.82 million in Fiscal Year 2022-23, is not available to pay debt service on the Second Lien Debt or the Third Lien Debt, including the 2023A/B Bonds. In the Transbay Project Area, approximately \$26.6 million of the State-Owned Parcel Not Tax Increment in Fiscal Year 2022-23 is not available to pay debt service on the Senior Obligations or the Third Lien Debt, including the 2023A/B Bonds. Tax increment revenue from the South of Market and Embarcadero-Lower Market (“Golden Gateway”) Project Areas is offset by negative revenue of approximately \$48,000 from the Federal Office Building Redevelopment Project Area through a fiscal merger of these project areas.

⁽²⁾ In the South of Market Project Area, a portion of revenue is potentially allocable to school districts under Section 33676 and the Santa Ana Section 33676 Decision.

⁽³⁾ In the Yerba Buena Center Approved Project Area D-1, a portion of the base-year value increases each year pursuant to that project area’s redevelopment plan. This is calculated as a two percent (2%) increase per annum on the base year assessed value of the Westfield multi-use commercial development in the Emporium Site Area added to the Yerba Buena Center Redevelopment Project Area pursuant to a plan amendment dated August 3, 2000.

Sources: Assessor, Successor Agency, and Urban Analytics,

The following Table 4 shows the historic and current assessed valuation for the Project Areas. Assessed valuation grew by 5.3% in Fiscal Year 2022-23, following increases of 0.8% in Fiscal Year 2021-22, 13.0% in Fiscal Year 2020-21, 13.2% in Fiscal Year 2019-20, and 13.6% in Fiscal Year 2018-19.

Fiscal Year 2022-23 assessed valuation increased by \$1.7 billion over Fiscal Year 2021-22. The Transbay Project Area increased by \$647.6 million, including a \$106.0 million valuation gain from the Park Tower office building. The Yerba Buena Center Approved Project Area D-1 increased by \$440.8 million, including \$255.6 million in gains from 149 condominium units owned by 706 Mission Street LLC. Bayview Hunters Point Project Area B increased in valuation by \$224.5 million, in part because of property transfers and new construction. The Embarcadero-Lower Market (“Golden Gateway”) Project Area increased by \$160.5 million including new unsecured valuation of \$82.0 million from Google. The remaining six project areas grew by \$275.2 million for Fiscal Year 2022-23.

Net Available Tax Increment Revenue is determined by deducting from gross tax increment: the portion of tax increment attributable to Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B, the State-Owned Parcel Net Tax Increment, the 2% Section 33676 Allocation, the 2% Emporium Amount, the Federal Building negative tax increment and the City Controller Administration Fee. Net Available Tax Increment Revenue as shown on Table 4 is the amount available for debt service on the Senior Obligations and Third Lien Debt, including the 2023A/B Bonds, and any subordinate obligations.

In California, a property's annual assessed value is determined as of January 1 of the year preceding the fiscal year for which taxes are billed and paid. Under Article XIII A of the State Constitution, known as Proposition 13, a property's annual assessed value is the lesser of (1) its base year value (fair market value as of the date of change in ownership or completion of new construction), factored for inflation at no more than two percent per year; or (2) its fair market value as of January 1 of the year preceding the fiscal year for which property taxes are billed and paid. If a property's fair market value falls below its factored base year value, the reduced value is enrolled on a temporary basis (for one year), and is commonly referred to as a "Proposition 8" reduction, after the 1978 initiative. However, if a property's base year value is reduced, then that reduced value carries forward for factoring purposes until the next change in ownership or completion of new construction. Assessors in California have the authority to use Proposition 8 criteria to apply reductions in valuation to classes of properties affected by any factors affecting value, including but not limited to negative economic conditions. See "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution."

COVID-19's impact on San Francisco real property values first arose with respect to assessed valuations for Fiscal Year 2021-22, with an almost 4-times increase in the total count of Proposition 8 reductions granted compared to Fiscal Year 2020-21 (up from 2,154 to 8,305) and more than 6.5-times increase in the value of the reductions (up from \$359 million to \$2.45 billion). The two most significant factors driving these changes were values of hotels and condominiums. In response to COVID-19, the Assessor's office performed proactive reviews of commercial properties, which resulted in temporary reductions City-wide of \$1.26 billion for 31 hotel properties for Fiscal Year 2021-22 and \$1.1 billion for 19 hotel properties for Fiscal Year 2022-23. Apart from these reductions for hotels, condominiums accounted for the largest share of new reductions City-wide at over 40% of the total value of reductions in both years and over 60% of the total count—with the reductions relating to condominiums increasing by roughly 10 times and 8 times for Fiscal Years 2022-23 and 2021-22, respectively. Unlike the assessed valuation for Fiscal Year 2021-22, the Assessor's office did not do proactive Proposition 8 reductions for the Fiscal Year 2022-23 and 2023-24 assessed valuations. For the Fiscal Year 2023-24 assessed valuations, the Assessor's office will be reviewing all reductions granted for the Fiscal Year 2022-23 assessed valuations, as well as additional requests, including ones submitted through March 31, 2023. [The Assessor's office will review all these items by end of May 2023.] [Any information on how much of these properties are in Project Areas?]

Declines in values of condominiums also are reflected in recent sale prices. According to data from the San Francisco Association of Realtors, as of April 2023, the median sale price of condominiums in the downtown and South of Market area of San Francisco was less than every past April since 2014.

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Table 4
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Historical and Current Assessed Valuations and Net Available Tax Increment Revenue by Project Areas

Project Area	Fiscal Year				
	2018-19	2019-20	2020-21	2021-22	2022-23
Bayview Hunters Point Project Area B	\$ 2,428,295,685	\$ 2,646,387,244	\$ 3,094,567,609	\$ 3,180,947,910	\$ 3,405,413,544
Embarcadero-Lower Market ("Golden Gateway") Project Area	2,974,147,240	3,120,024,522	3,284,546,125	3,237,894,690	3,398,391,691
Bayview Hunters Point Project Area – Project Area A	202,365,397	190,503,384	174,862,380	177,908,649	188,835,268
Hunters Point Hill Residential District (Hunters Point Shipyard Project Area)	385,654,673	563,836,534	411,032,740	406,868,722	420,834,962
India Basin Industrial Park Project Area	139,665,532	142,543,978	150,361,395	163,869,889	163,930,340
Rincon Point - South Beach Project Area	2,693,139,551	2,776,555,071	2,895,125,534	2,915,318,545	3,007,379,931
South of Market Project Area	1,225,992,555	1,488,673,192	1,609,348,316	1,813,776,387	1,926,958,014
Transbay Project Area	7,403,718,271	8,878,757,711	10,473,093,339	10,976,063,961	11,623,662,722
Western Addition Project Area A-2	2,711,494,490	3,162,940,016	3,904,663,267	3,594,951,724	3,640,001,418
Yerba Buena Center Approved Project Area D-1	5,195,709,121	5,735,491,031	6,443,560,076	6,232,159,683	6,672,981,623
Total Value⁽¹⁾	\$ 25,360,182,515	\$ 28,705,712,683	\$ 32,441,160,781	\$ 32,699,760,160	\$34,448,389,513
<i>% Change</i>	<i>12.2%</i>	<i>13.2%</i>	<i>13.0%</i>	<i>0.8%</i>	<i>5.3%</i>
Base Year Assessed Value	(2,410,211,756)	(2,410,211,756)	(2,410,211,756)	(2,410,211,756)	(2,410,211,756)
Total Incremental Value	\$ 22,949,970,759	\$ 26,295,500,927	\$ 30,030,949,025	\$ 30,289,548,404	\$32,038,177,757
<i>% Change</i>	<i>13.6%</i>	<i>14.6%</i>	<i>14.2%</i>	<i>0.9%</i>	<i>5.8%</i>
Gross Tax Increment ⁽²⁾	\$ 229,499,708	\$ 262,955,009	\$ 300,309,490	\$ 302,895,484	\$ 320,381,778
Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B ⁽³⁾	(470,432)	(973,310)	(1,010,489)	(996,417)	(1,023,091)
State-Owned Parcel Net Tax Increment ⁽³⁾	(15,250,861)	(18,602,921)	(23,194,947)	(25,104,488)	(26,648,847)
Negative Federal Office Building Revenue ⁽⁴⁾	(46,908)	(47,177)	(47,380)	(48,059)	(48,059)
Senior Obligations ⁽⁵⁾	(401,103)	(425,397)	(454,234)	(478,477)	(505,367)
Net Available Tax Increment Revenue	\$ 213,330,404	\$ 242,906,204	\$ 275,602,441	\$ 276,268,042	\$ 292,156,412

Note: Columns may not add due to rounding

⁽¹⁾ Assessed valuations shown are "full cash value" and exclude homeowner subventions.

⁽²⁾ Revenue numbers equal the tax rate times the increase over base year value and do not necessarily equal amounts collected.

⁽³⁾ Revenue from Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B and from the State-Owned Parcel Net Tax Increment is not available to pay debt service on the Senior Obligations or the Third Lien Debt, including the 2023A/B Bonds.

⁽⁴⁾ Revenue from the South of Market and Embarcadero-Lower Market ("Golden Gateway") Project Areas is offset by negative revenue from the Federal Office Building Redevelopment Project Area through a fiscal merger of these project areas.

⁽⁵⁾ In the Yerba Buena Center Approved Project Area D-1, a portion of the base-year value increases each year pursuant to that Project Area's redevelopment plan. This (the 2% Emporium Amount) is calculated as a two percent (2%) increase per annum on the base year assessed value of the Westfield multi-use commercial development in the Emporium Site Area added to the Yerba Buena Center Redevelopment Project Area pursuant to a plan amendment dated August 3, 2000. In the South of Market Project Area, a portion of revenue is potentially allocable to school districts under Section 33676 of the Redevelopment Law and the Santa Ana Section 33676 Decision. The City Controller charges the City Controller Administration Fee pursuant to the Redevelopment Dissolution Act, of approximately 0.015% of tax increment. Amount does not reflect the bonds or loans (including the Existing Senior Loans and the Second Lien Debt) payable from tax increment revenues on a senior basis to the 2023A/B Bonds.

Source: Urban Analytics.

Projected Pledged Tax Revenues and Debt Service Coverage

Set forth below are tables showing net available tax increment revenues from the Project Areas on an aggregate basis, projected Pledged Tax Revenues and estimated debt service coverage for all Existing Senior Loan Agreements, Second Lien Debt, the 2017A/B Bonds, the 2021A Bonds and the 2023A/B Bonds. The below projections assume, with the exception of Table 6, approximately two percent (2%) annual growth in gross tax increment revenues beginning in Fiscal Year 2023-24 through the maturity of the 2023A/B Bonds. The projections do not take into consideration any changes in assessed valuation due to new construction, property sales, Proposition 8 reductions (other than those initiated by the Assessor for Fiscal Year 2022-23), assessment appeals or other factors. The actual growth rate in the Project Areas may differ from that which is projected.

The Successor Agency believes that the assumptions (including those in APPENDIX B – “FISCAL CONSULTANT REPORT”) upon which the projections are based are reasonable; however, some assumptions may not materialize and unanticipated events and circumstances may occur.

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Table 5
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Projected Net Available Tax Increment
(The Project Areas)
(in thousands)

Fiscal Year	Assessed Valuation ⁽¹⁾	Base Year Valuation	Incremental Valuation	Gross Tax Increment Revenues ⁽²⁾	Excluded Revenue ⁽³⁾	City Controller Admin Fee ⁽⁴⁾	Prior Obligations ⁽⁵⁾	Net Available Tax Increment Revenues
2022/23	\$34,448,390	\$2,410,212	\$32,038,178	\$320,382	\$(27,720)	\$(47)	\$(459)	\$292,156
2023/24	35,054,040	2,410,212	32,643,828	326,438	(28,259)	(48)	(484)	297,648
2024/25	35,671,804	2,410,212	33,261,592	332,616	(28,808)	(48)	(509)	303,250
2025/26	36,301,923	2,410,212	33,891,711	338,917	(29,369)	(49)	(535)	308,964
2026/27	36,944,644	2,410,212	34,534,432	345,344	(29,941)	(50)	(561)	314,792
2027/28	37,600,220	2,410,212	35,190,008	351,900	(30,524)	(51)	(588)	320,737
2028/29	38,268,907	2,410,212	35,858,695	358,587	(31,119)	(52)	(615)	326,801
2029/30	38,950,968	2,410,212	36,540,756	365,408	(31,725)	(53)	(643)	332,986
2030/31	39,646,670	2,410,212	37,236,458	372,365	(32,344)	(54)	(672)	339,294
2031/32	40,356,286	2,410,212	37,946,075	379,461	(32,975)	(55)	(701)	345,729
2032/33	41,080,095	2,410,212	38,669,883	386,699	(33,619)	(56)	(731)	352,293
2033/34	41,818,380	2,410,212	39,408,168	394,082	(34,276)	(57)	(761)	358,987
2034/35	42,571,430	2,410,212	40,161,218	401,612	(34,946)	(58)	(792)	365,816
2035/36	43,339,541	2,410,212	40,929,330	409,293	(35,629)	(60)	(823)	372,781
2036/37	44,123,015	2,410,212	41,712,803	417,128	(36,278)	(61)	(855)	379,934
2037/38	44,922,158	2,410,212	42,511,946	425,119	(36,937)	(62)	(888)	387,232
2038/39	45,737,284	2,410,212	43,327,072	433,271	(37,610)	(63)	(922)	394,676
2039/40	46,568,713	2,410,212	44,158,501	441,585	(38,296)	(64)	(956)	402,269
2040/41	47,416,770	2,410,212	45,006,558	450,066	(38,995)	(66)	(990)	410,014
2041/42	48,281,788	2,410,212	45,871,576	458,716	(39,709)	(67)	(1,026)	417,914
2042/43	49,164,107	2,410,212	46,753,895	467,539	(40,437)	(68)	(1,062)	425,972
2043/44	50,064,072	2,410,212	47,653,860	476,539	(41,179)	(69)	(1,099)	434,191
2044/45	50,982,036	2,410,212	48,571,824	485,718	(41,936)	(71)	(1,137)	442,575
2045/46	51,918,359	2,410,212	49,508,148	495,081	(42,709)	(72)	(1,175)	451,126
2046/47	52,873,409	2,410,212	50,463,198	504,632	(43,496)	(73)	(1,214)	459,848
2047/48	53,847,560	2,410,212	51,437,349	514,373	(44,300)	(75)	(1,254)	468,745
2048/49	54,841,195	2,410,212	52,430,983	524,310	(45,119)	(76)	(1,295)	477,819
2049/50	55,854,701	2,410,212	53,444,489	534,445	(45,955)	(78)	(1,336)	487,075
2050/51	56,888,478	2,410,212	54,478,266	544,783	(46,808)	(79)	(1,379)	496,517
2051/52	57,942,930	2,410,212	55,532,719	555,327	(47,678)	(81)	(1,422)	506,147
2052/53	59,018,472	2,410,212	56,608,260	566,083	(48,565)	(82)	(1,466)	515,970
Total	\$1,412,498,345	\$74,716,564	\$1,337,781,780	\$13,377,818	\$(1,157,262)	\$(1,947)	\$(28,349)	\$12,190,260

Note: Columns may not add due to rounding.

⁽¹⁾ Assessed valuation includes a growth factor of 2% per year. Assessed valuation for Fiscal Year 2022-23 is as of July 1, 2022, and includes the Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area A, the Hunters Point Shipyard Project Area other than the Hunters Point Hill Residential District, and the State-Owned Parcels.

⁽²⁾ Gross tax increment equals the tax rate times the increase over base year value and does not necessarily equal amounts collected.

⁽³⁾ In the Bayview Hunters Point Redevelopment Project Area B, revenue from the Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B, estimated to be \$1.0 million in Fiscal Year 2022-23, is not available to pay debt service on the Second Lien Debt or the Third Lien Debt, including the 2023A/B Bonds. In the Transbay Project Area, approximately \$26.6 million of State-Owned Parcel Net Tax Increment in Fiscal Year 2022-23 is not available to pay debt service on the Senior Obligations or the Third Lien Debt, including the 2023A/B Bonds. Revenue from the South of Market and Embarcadero-Lower Market ("Golden Gateway") Project Areas is offset by negative revenue of approximately \$48,000 from the Federal Office Building Redevelopment Project Area through a fiscal merger.

⁽⁴⁾ The City Controller charges the City Controller Administration Fee pursuant to the Redevelopment Dissolution Act, of approximately 0.015% of tax increment.

⁽⁵⁾ Consists of Project Area-specific prior obligations senior to the 2023A/B Bonds. In the Yerba Buena Center Approved Project Area D-1, a portion of the base-year value increases each year pursuant to that project area's redevelopment plan. This is calculated as a two percent (2%) increase per annum on the base year assessed value of the Westfield multi-use commercial development in the Emporium Site Area added to the Yerba Buena Center Redevelopment Project Area pursuant to a plan amendment dated August 3, 2000, estimated to be \$38.2 million for Fiscal Year 2022-23 or approximately \$382,000 in tax increment. In the South of Market Project Area, a portion of tax increment revenue, estimated to be \$77,000, is potentially allocable to school districts under Section 33676 and the Santa Ana Section 33676 Decision. Projections in this column do not include debt service for Existing Senior Loans or Second Lien Debt, which are payable from tax increment on a basis senior to the 2023A/B Bonds.

See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Senior Obligations – Project Area-Specific Prior Obligations."

Source: Urban Analytics.

Table 6
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Estimated All-In Debt Service Coverage – No Growth
(The Project Areas)

Bond Year ending August 1	Net Available Tax Increment Revenues	Less: Existing Senior Loan Agreements and Second Lien Debt⁽¹⁾	Pledged Tax Revenues	2017A/B Bonds and 2021A Bonds⁽²⁾	2023A/B Bonds^{(2)*}	Total Payments for All-In Debt Service Coverage Calculation^{(3)*}	All-In Debt Service Coverage^{(4)*}
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
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2035							
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2046							
2047							
2048							
2049							
2050							
2051							
2052							
2053							

*Preliminary, subject to change.

⁽¹⁾ Second Lien Debt consists of the 2014 Bonds and the 2017D/E Bonds.

⁽²⁾ Third Lien Debt.

⁽³⁾ Consists of debt service on all Existing Senior Loan Agreements, Second Lien Debt and Third Lien Debt, including the 2023A/B Bonds.

⁽⁴⁾ Net available tax increment revenues divided by total debt service on all Existing Senior Loan Agreements, Second Lien Debt and Third Lien Debt, including the 2023A/B Bonds.

Source: Stifel, Nicolaus & Company, Incorporated, as to debt service and debt service coverage data and Urban Analytics, LLC, as to Net Available Tax Increment Revenues.

Table 7
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Estimated All-In Debt Service Coverage – 2% Growth*
(The Project Areas)

Bond Year ending August 1	Net Available Tax Increment Revenues	Less: Existing Senior Loan Agreements and Second Lien Debt⁽¹⁾	Pledged Tax Revenues	2017A/B Bonds and 2021A Bonds⁽²⁾	2023A/B Bonds^{(2)*}	Total Payments for All-In Debt Service Coverage Calculation^{(3)*}	All-In Debt Service Coverage^{(4)*}
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
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2045							
2046							
2047							
2048							
2049							
2050							
2051							
2052							
2053							

*Preliminary, subject to change.

⁽¹⁾ Second Lien Debt consists of the 2014 Bonds and the 2017D/E Bonds.

⁽²⁾ Third Lien Debt.

⁽³⁾ Consists of debt service on all Existing Senior Loan Agreements, Second Lien Debt and Third Lien Debt, including the 2023A/B Bonds.

⁽⁴⁾ Net available tax increment revenues divided by total debt service on all Existing Senior Loan Agreements, Second Lien Debt and Third Lien Debt, including the 2023A/B Bonds.

Source: Stifel, Nicolaus & Company Incorporated, as to debt service and debt service coverage data and Urban Analytics, LLC, as to Net Available Tax Increment Revenues.

Assessment Appeals

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

The most common type of appeal filed is known as a Proposition 8 appeal, in which the property owner seeks a reduction in a particular year's secured assessment based on the current economic value of the property. The Assessor may also adjust valuations based on Proposition 8 criteria. In past years, assessment reductions under Proposition 8 have been generally temporary in nature and were usually restored to their previous levels, as adjusted for inflation, as economic conditions improved. The Assessor's office has not indicated how many parcels are currently subject to Proposition 8 reductions in the Project Areas.

Property owners may also appeal the Proposition 13 base assessment of a property. Although less frequently filed, such appeals, if successful, can permanently reduce the enrolled valuation of a property and consequently affect the Successor Agency's annual revenue. The annual filing period for all appeals extends from July 2 to September 15. See "CERTAIN RISK FACTORS – Appeals to Assessed Values" and "LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution."

Appeal filings in the Project Areas for the past ten (10) years as of May 24, 2023, are shown in the table below for the secured and unsecured rolls. The table compares the Assessor's valuation with the applicant's opinion of the value of a property and show the resulting valuation for resolved appeals. Appeals are considered resolved when they are withdrawn by the applicant, denied a hearing by the City's Assessment Appeals Board ("**Assessment Appeals Board**"), granted a hearing but denied an adjustment in valuation, or granted an adjustment in valuation.

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Table 8
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY AND COUNTY OF SAN FRANCISCO
Assessment Appeals in the Project Areas
as of May 24, 2023

Roll Year	Status	Number of Appeals	County Valuation	Applicant Opinion of Value	Valuation After Appeal	Retention Rate*
2022-23	Resolved	121	\$601,295,756	\$362,673,194	\$599,182,066	99.6%
2022-23	Pending	104	6,769,261,379	4,201,185,127	TBD	TBD
2021-22	Resolved	192	1,886,126,957	1,297,510,728	1,878,393,849	99.6%
2021-22	Pending	74	4,566,396,545	2,770,363,102	TBD	TBD
2020-21	Resolved	189	1,618,693,604	1,063,739,545	1,610,527,675	99.5%
2020-21	Pending	44	3,340,161,600	2,032,956,105	TBD	TBD
2019-20	Resolved	66	1,533,435,296	902,484,996	1,530,511,973	99.8%
2019-20	Pending	14	920,542,478	666,884,639	TBD	TBD
2018-19	Resolved	64	2,795,062,526	2,026,538,468	2,745,373,273	98.2%
2018-19	Pending	8	654,135,086	448,354,774	TBD	TBD
2017-18	Resolved	214	2,571,608,460	1,723,558,036	2,546,485,190	99.0%
2017-18	Pending	6	356,260,361	257,087,605	TBD	TBD
2016-17	Resolved	209	1,822,114,232	865,834,954	1,794,131,367	98.5%
2016-17	Pending	1	2,808,636	500,000	TBD	TBD
2015-16	Resolved	56	2,294,449,168	1,313,463,151	2,263,373,746	98.6%
2015-16	Pending	-	-	-	-	NA
2014-15	Resolved	113	3,554,601,518	2,421,450,703	3,509,619,762	98.7%
2014-15	Pending	-	-	-	-	NA
2013-14	Resolved	172	3,703,538,935	2,205,517,104	3,697,619,615	99.8%
2013-14	Pending	-	-	-	-	NA
All Years	Resolved	1,396	\$22,380,926,452	\$14,182,770,879	\$22,175,218,516	99.1%
All Years	Pending	251	\$16,609,566,085	\$10,377,331,352	TBD	TBD

* Retention Rate is the proportion of value retained after resolution of an appeal. The rate is calculated by dividing the "Valuation After Appeal" into the "County Valuation." For withdrawn and denied appeals, the "Valuation After Appeal" is the original County Valuation.

Source: San Francisco County Assessment Appeals Board. Data as of 5/24/2023.

[Additionally, in the Transbay Project Area, a residential tower at 301 Mission Street (the "**Millennium Tower**") is reported to have experienced greater settling than anticipated as well as tilting of the building. Such building has been undergoing repairs to address the settling and tilting after the settlement of multiple lawsuits related to such problems. The property consists of 419 residential condominiums and 2 commercial condominiums with a combined Fiscal Year 2022-23 assessed valuation of \$806.0 million, which represents approximately 2.3% of the aggregate assessed valuation of the properties in the Project Areas shown in Table 3. Of these condominium owners in Millennium Tower, 167 filed appeals in Fiscal Year 2016-17 on \$392.1 million in assessed valuation resulting in reductions of \$10.9 million and 169 filed appeals in Fiscal Year 2017-18 on \$374.4 million assessed valuation resulting in reductions of \$23.2 million. Fewer appeals were filed in subsequent years: 20 appeals in Fiscal Year 2018-19 resulting in \$1.6 million in reduced valuations with 4 still pending, 13 in Fiscal Year 2019-20 resulting in \$1.7 million in reduced valuations with 4 still pending, 7 in Fiscal Year 2020-21 resulting in no reductions in valuation with 2 still pending, and 8 in Fiscal Year 2021-22 resulting in \$0.5 million in reduced valuations with 4 still pending.

The potential exposure of the Successor Agency's tax increment revenue to appeals were the Assessor to extend Proposition 8 reductions to future rolls for properties granted prior-year reductions may be seen by applying the overall retention rate for all years in a project area to the amount of roll valuation in pending appeals for the project area. Applying the retention rate of 99.1% set forth in Table 8 to the aggregate valuation subject to pending appeals in the Project Areas as of May 24, 2023, the Fiscal Consultant estimates a reduction in assessed valuation of approximately \$152.6 million or approximately \$1.5 million in gross tax increment revenues, which is 0.5% of the Project Areas' gross tax increment revenues in Fiscal Year 2022-23. As this includes properties with appeals in multiple years, it does not necessarily indicate an equivalent reduction in future revenue.

If the full amount of disputed valuations were to be granted by the Assessment Appeals Board across the Project Areas, and if the City Controller were to deduct the resulting tax refunds from the tax increment allocated to the Successor Agency, the Fiscal Consultant estimates a reduction in assessed valuation of approximately \$6.2 billion and a reduction in the gross tax increment revenue for the Project Areas of approximately \$62.3 million or 19.5% of gross tax increment in Fiscal Year 2022-23. Any such reductions in taxable values could cause a reduction in the Pledged Tax Revenues securing the 2023A/B Bonds. However, based on projected debt service coverage shown on Table 6, the Successor Agency does not expect Fiscal Year 2022-23 assessment appeals to impact its ability to pay debt service on the 2023A/B Bonds when due. See "PLEDGED TAX REVENUES AND DEBT SERVICE – Projected Pledged Tax Revenues and Debt Service Coverage."]

CERTAIN RISK FACTORS

In addition to the information set forth elsewhere in this Official Statement, potential investors should consider the following matters in evaluating an investment in the 2023A/B Bonds. The following does not purport to be an exhaustive listing of risks and other considerations that may be relevant to investing in the 2023A/B Bonds. No assurance can be given that additional risk factors will not become evident at any future time. The order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Recognized Obligation Payment Schedule

As described in greater detail above under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Recognized Obligation Payment Schedule," the Redevelopment Dissolution Act provides that only those payments listed in the ROPS may be made by the Successor Agency from the funds specified in the ROPS. Tax Revenues will not be distributed from the RPTTF by the City Controller to the Retirement Fund without a duly approved and effective ROPS obtained in sufficient time prior to the distribution date, unless a Last and Final ROPS is filed in which event no periodic filing requirements apply. In instances where a Last and Final ROPS is not filed, if the Successor Agency were to fail to submit an approved ROPS by the applicable date and the California Department of Finance does not provide a notice to the City Controller to withhold funds from distribution to Taxing Entities, amounts in the RPTTF for such period would be distributed to Taxing Entities and the availability of Pledged Tax Revenues for the Successor Agency to pay debt service on the 2023A/B Bonds could be adversely affected for such period. The Successor Agency does not currently plan to file a Last and Final ROPS. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Recognized Obligation Payment Schedule."

Certain Uncertainties Regarding the Redevelopment Dissolution Act

Prior to the dissolution of redevelopment agencies, tax increment revenues from one project area could not be used to repay indebtedness incurred for another project area. However, the Redevelopment Dissolution Act does not require funds derived from separate project areas of a former redevelopment

agency to be used only in the project areas from which the revenue was generated. Instead, the Redevelopment Dissolution Act requires that the county auditor-controller establish a single RPTTF with respect to each former redevelopment agency within the respective county and that the county auditor-controller deposit into the RPTTF all revenues equivalent to the amount that would have been allocated as tax increment to the former redevelopment agency. In effect, the Redevelopment Dissolution Act combines the property tax revenues derived from all project areas of a former redevelopment agency into a single trust fund, the RPTTF, to repay indebtedness of the successor agency. The only exception to this aggregation of property tax revenues is for those property tax revenues of a particular project area that have been contractually committed for certain enforceable obligations of a former redevelopment agency. To the extent the documents governing outstanding bonds of a redevelopment agency have pledged revenues derived from a specific project area, the Redevelopment Dissolution Act does not impair that pledge. Section 34175(a) of the California Health and Safety Code states, *“it is the intent... that pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored. It is intended that the cessation of any redevelopment agency shall not affect either the pledge, the legal existence of that pledge, or the stream of revenues available to meet the requirements of the pledge.”* Accordingly, the Pledged Tax Revenues securing the 2023A/B Bonds will be used for purposes consistent with the applicable bond covenants prior to being used for any other purpose, including payment of any other indebtedness of the Former Agency now being paid by the Successor Agency (excluding Senior Obligations).

Estimates of Tax Revenues

To estimate the Pledged Tax Revenues ultimately available to pay debt service on the 2017A/B Bonds, the 2021A Bonds and the 2023A/B Bonds, the Successor Agency has made certain assumptions with regard to the present and future assessed valuation of taxable property in the Project Areas, future tax rates, growth in tax revenues over time, percentage of taxes collected and other senior obligations. See APPENDIX B – “FISCAL CONSULTANT REPORT.” The Successor Agency believes these assumptions to be reasonable, but there is no assurance that these assumptions will be realized. To the extent that actual assessed valuation, tax rates or percentages collected are less than the Successor Agency’s assumptions, the Pledged Tax Revenues would be less than those projected and may be insufficient to pay debt service on the 2023A/B Bonds.

Concentration of Property Ownership

The risk of reduction in assessed value as a result of factors described herein may increase where the assessed value within the Project Areas is concentrated among a relatively few number of property owners. Ownership of property in the Project Areas is significantly concentrated, with the ten largest property owners by assessed valuation accounting for 25.0% of the Fiscal Year 2022-23 assessed valuation and 26.8% of the Project Areas’ incremental assessed value. Significant reduction in the assessed values of these properties could, by itself or in combination with other factors, have a material adverse effect on the Successor Agency’s ability to pay debt service on the 2023A/B Bonds as such payments become due and payable. See “THE PROJECT AREAS – Assessed Valuation and Other Information Regarding the Project Areas – Table 1, Assessed Value by Land Use in the Project Areas” and “– Table 2, Top Ten Taxpayers by Assessed Valuation in the Project Areas” and discussion thereafter about three residential condominium buildings whose constituent condominium assessments would, if taken in the aggregate, be among the top ten taxpayers for Fiscal Year 2022-23.

Subordination of ERAF

The AB 1290 Statutory Pass-Through Amounts are, or are assumed to be, subordinate to the payment of debt service on the 2023A/B Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Assembly Bill*

1290; Statutory Pass-Throughs” and “ – Subordination of Pass-Through Amounts to Payment of Debt Service on the 2023A/B Bonds.” As ERAF is not an entity, but a fund, there is not a mechanism to seek affirmative approval of the subordination of monies payable to ERAF. The Successor Agency believes that the Statutory Pass-Through Amounts to be deposited in ERAF are subordinated if the Taxing Entities, to whom the amounts deposited in ERAF will be distributed, have approved, or are deemed to have approved, the subordination of the Statutory Pass-Through Amounts directly payable to them. Should a Taxing Entity or the State disagree with the Successor Agency’s position with regards to the subordination of the ERAF and determine that the Statutory Pass-Through Amounts due to ERAF cannot be subordinated, such amounts would be a senior obligation and payment thereof would have to be made prior to payment of debt service on the 2023A/B Bonds. The Statutory Pass-Through Amount for ERAF for Fiscal Year 2022-23 is approximately 25.3% of the total Statutory Pass-Through Amounts. The Successor Agency does not believe that an obligation to pay the ERAF amounts on a basis senior to the payment of debt service on the 2023A/B Bonds will have a materially adverse effect on its ability to pay debt service on the 2023A/B Bonds.

Reduction in Tax Base and Assessed Values

Pledged Tax Revenues constitute the ultimate source of payment for the 2017A/B Bonds, the 2021A Bonds, the 2023A/B Bonds and any other Third Lien Parity Debt issued in the future. Such tax revenues are determined by the amount of the incremental taxable value of property in the Project Areas, the current rate or rates at which property in the Project Areas is taxed and the percentage of taxes collected in the Project Areas. A reduction of the taxable values of property in the Project Areas could occur as a result of numerous factors beyond the Successor Agency’s control, including but not limited to, a general economic downturn, political and economic obstacles to additional development and redevelopment activities in the Project Areas, relocation out of the Project Areas by one or more major property owners or tenants, property becoming exempt from property taxes through condemnation or acquisition by certain entities such as nonprofit corporations, or the complete or partial destruction of property caused by, among other calamities, earthquake, fire, flood or other natural disaster. In addition, taxable values may be reduced pursuant to successful appeals of assessed valuations or by widespread temporary reduction in assessed valuation under Proposition 8. See also “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals” above.

Were the Assessor to extend Proposition 8 reductions to future rolls for properties granted prior-year reductions, applying the overall retention rate of 99.1% set forth in Table 8 to the valuation subject to pending appeals as of November 22, 2022, the estimated reduction in prior-year assessed valuation would be approximately \$93.5 million, or approximately \$935,000 in gross tax increment revenues. If the full amount of such disputed valuation were to be granted by the Assessment Appeals Board across the Project Areas, and if the City Controller were to deduct the resulting tax refunds from the Successor Agency’s tax increment, the estimated reduction in prior-year assessed valuation would be approximately \$3.7 billion for the Project Areas and in gross tax increment revenues would be approximately \$37.2 million or 11.6% of gross tax increment; this includes multi-year appeals and does not necessarily indicate an equivalent reduction in future revenue. See “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”

The COVID-19 pandemic has had an adverse impact on property valuations in the Project Areas. As set forth in Table 4, the assessed valuations for Fiscal Year 2021-22 in the Embarcadero-Lower Market (“Golden Gateway”) Project Area, the Hunters Point Hill Residential District (Hunters Point Shipyard Project Area), the Western Addition Project Area A-2 and the Yerba Buena Center Approved Project Area D-1 declined from the previous fiscal year, although the assessed valuations for Fiscal Year 2022-23 in such Project Areas increased from the previous fiscal year. The COVID-19 pandemic is ongoing, and its duration, severity and economic effects are uncertain in many respects. See “– Public Health Emergencies” and “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals.”]

In general, because property on the unsecured tax roll includes personal property and leasehold interests, the values of property on the unsecured roll are more likely to fluctuate and are more susceptible to reduction due to adverse economic circumstances affecting the owners of the properties. Accordingly, unsecured assessed valuation may present special risks and may be more susceptible to fluctuation from year to year than valuation reflected on the secured roll. According to the Fiscal Consultant, the unsecured roll represents approximately 11.5% of the overall assessed value in the Project Areas for Fiscal Year 2022-23.

Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a two percent (2%) increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such adjustments are computed on a calendar year basis. In projecting future Pledged Tax Revenues to be available to it to make payments with respect to the 2023A/B Bonds, the Successor Agency has assumed an annual two percent (2%) inflationary increase. The projected Pledged Tax Revenues are based on the latest actual amounts received by the Successor Agency. However, future deflation could cause decreases in property values, a reduction in tax revenues received by the Successor Agency and reduced Pledged Tax Revenues. See “– Reduction in Inflation Rate,” “PLEGDED TAX REVENUES AND DEBT SERVICE” and “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution” herein.

In addition to the other limitations on and the required application under the Redevelopment Dissolution Act of tax revenues on deposit in the RPTTF, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing tax revenues allocated to the RPTTF and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature’s impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce Pledged Tax Revenues and adversely affect the source of repayment and security of the 2023A/B Bonds.

Appeals to Assessed Values

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

In the City, a property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one (1) year period must submit an application to the City’s Assessment Appeals Board. Applications for any tax year must be submitted, or postmarked if mailed, by September 15 of such tax year. Following a review of the application by the Assessor, the Assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Assessment Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Assessment Appeals Board generally is required to determine the outcome of appeals within two (2) years of each appeal’s filing date unless waived by the applicant. Any reduction in the assessment ultimately granted applies only to the

year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than two percent (2%)) following the year for which the reduction application is filed. However, the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted. See “LIMITATIONS ON TAX REVENUES – Property Tax Collection Procedure” and “PLEDGED TAX REVENUES AND DEBT SERVICE.”

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

Two of the ten (10) largest property taxpayers in the Project Areas and the Millennium Tower, a condominium property in the Transbay Project Area, whose constituent condominium assessments would, if taken in the aggregate, be included among the ten (10) largest property taxpayers in the Project Areas for Fiscal Year 2022-23, have pending property tax appeals. See “THE PROJECT AREAS – Assessed Valuation and Other Information Regarding the Project Areas – Table 2, Top Ten Taxpayers by Assessed Valuation,” and “PLEDGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals” for a description of pending appeals and the potential impact on allocable tax revenues if the appeals are granted.

Property Foreclosures

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

State Budget Issues; Changes in State Law

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

There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Pledged Tax Revenues. There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Redevelopment Law, the Redevelopment Dissolution Act or other laws or the Constitution of the State resulting in a reduction of Pledged Tax Revenues, or that otherwise have an adverse effect on the Successor Agency’s ability to pay debt service on the 2023A/B Bonds.

The Redevelopment Dissolution Act and implementation of its provisions have been and may continue to be subject to differing interpretations by different stakeholders, including the California Department of Finance, the State Controller, oversight boards, successor agencies, auditor-controllers, and others. Certain litigation is challenging some of the terms of the Redevelopment Dissolution Act and the Redevelopment Dissolution Act could be subject to further legislative or judicial review. The Successor Agency cannot predict the outcome or impact of any such litigation, interpretations or reviews on the availability of Pledged Tax Revenues to pay the 2023A/B Bonds.

Development Risks

Only a few undeveloped areas remain within the Project Areas, as the Project Areas are substantially developed. According to the Fiscal Consultant, of the 942 properties classified as vacant in Table 1, 164 are located in the Excluded Project Areas, of which 78 are in Zone 1-Candlestick Point Site of the Bayview Hunters Point Project Area B, 1 is in the Hunters Point Shipyard Project Area and 85 are in the State-Owned Parcels. Any future property tax revenue from properties in the Excluded Project Areas will not be pledged revenue, except that tax increment revenues from the State-Owned Parcels in an amount equal to the former State-Owned Parcels Housing Set-Aside and the amount equal to the Statutory Pass-Through Amounts payable to taxing entities with respect to the State-Owned Parcels, to the extent subordinated, is anticipated to be available for payment of debt service on the Senior Obligations and the Third Lien Bonds, including the 2023A/B Bonds, as described in this Official Statement. See “INTRODUCTION – Excluded Project Areas – *Excluded Tax Increment from State-Owned Parcels*.” Of the remaining 778 properties, 400 are within the Bayview Hunters Point Project Area – Zone 2 of Project Area B and 105 are within the Hunters Point Hill Residential District (Hunters Point Shipyard Project Area).

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

Natural Disasters

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

Earthquake. The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes about three miles to the southeast of the City’s border, the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away, and a number of other significant faults in the region. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake

centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of about magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. Such earthquakes may be very destructive. In addition to the potential damage to City-owned buildings and facilities (on which the City does not generally carry earthquake insurance), due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, and residential and business real property values, including those located in the Project Areas.

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

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

Climate Change and Flooding. It is expected that sea levels will rise given the rising temperature of the oceans and an increase in ocean volume as land ice melts and runs off into the ocean. Over the past century, sea level has risen nearly eight inches along the California coast, and substantial increases in sea level rise are projected due to climate change over the coming century. In May 2009, the California Climate Change Center released a final paper, 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 title of the paper is "The Impacts of Sea-Level Rise on the California Coast." 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 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, such as the Candlestick/Hunters Point Shipyard, Treasure Island, Pier 70 and Mission Rock 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 Transbay Project Area has property built on Bay Mud. The Successor Agency has not conducted any investigation as to whether any property in other Project Areas 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 Project Areas or the local economy during the term of the 2023A/B Bonds. While the effects of climate change may be mitigated by past and future investment in adaptation strategies, the Successor Agency can give no assurance about the net effects of those strategies and whether additional adaptive mitigation measures will be required. If necessary, such additional measures could require significant capital resources.

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

It should be assumed, therefore, that an earthquake or other natural event or man-made activity may occur and may cause damage to improvements on parcels in the Project Areas 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 values of property in the Project Areas and could result in a significant reduction in Pledged Tax Revenues. Such reduction of Pledged Tax Revenues could have an adverse effect on the Successor Agency's payment of debt service on the 2023A/B Bonds.

Cybersecurity

The Successor Agency, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "**Systems Technology**").

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Successor Agency's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. The Successor Agency participates in the City's cybersecurity program, which invests in multiple forms of cybersecurity and operational safeguards to protect against such events and attacks.

While the Successor Agency's cybersecurity and operational safeguards are periodically tested, no assurance can be given by the Successor Agency that such measures will ensure against cybersecurity threats and attacks. Cybersecurity breaches could damage the Successor Agency's Systems Technology

and cause material disruption to the Successor Agency's operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose the Successor Agency to material litigation and other legal risks, which could cause the Successor Agency to incur material costs related to such legal claims or proceedings.

Public Health Emergencies

In recent years, public health authorities have warned of threats posed by outbreaks of disease and other public health threats. In February 2020, 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 Project Areas, 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 Project Areas.

Office Vacancy in San Francisco; Impact on Property Taxes and Other Revenues

On October 19, 2022, the Chief Economist of the City Controller's office released a memorandum regarding the impact of remote work on commercial property and tax revenue in the City. The following summarizes certain portions of such memorandum.

The City has experienced the largest increase in office vacancy among major urban office markets in the United States, currently 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 has declined, while the direct vacancy rate has continued to rise.

By mid-2022, direct vacancies accounted for most of the vacant office space in San Francisco, according to Jones Lang LaSalle IP, Inc. ("JLL"). For example, JLL has developed a series of office vacancy rate forecasts for the City, through the year 2026. JLL generally show historically high office vacancy rates persisting throughout the forecast period. JLL forecasts office vacancy in the city to remain between 19.5% and 25.3% by 2026, a range which is as high as or higher than any previous peak in office vacancy dating back to the 1990s. JLL also forecasts 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.

Since the release of the memorandum described above, CBRE, Inc., issued a report indicating the office vacancy rate in San Francisco in the first quarter of 2023 was 29.4%. In addition, local news outlets have reported that a 300,000 square foot downtown San Francisco office building, which previously was occupied by

Union Bank and which had become vacant, recently sold for roughly 75% less than what it had been offered for in 2020. Such building is not in any of the Project Areas. However, it may be reflective of the current market values of certain of the office buildings in San Francisco, including those in Project Areas.

The Controller's memorandum notes that "the prevalence of long-term leases, and the cushioning effect that Proposition 13 has provided San Francisco's property tax base, will be mitigating factors in the short term" with respect to reductions in property taxes from office buildings. As an example, the Union Bank building's new assessment, which will be based on the reported \$65 million sale price, is expected to be slightly less than the building's \$66.2 million current assessment, which amount was based on the building's last sale occurring around 2007.

[Add information as to amount of office buildings in Project Areas and any information as to their assessed values?][Urban Analytics will look into updating a similar analysis done in 2019 for the TIPA TABs]

The market value of a property is important for property tax revenue because a property's assessed value – the basis of its property tax liability – may not exceed its market value. If a property owner believes a property is assessed above its market value, they may request a temporary reduction in assessment from the Assessor, and/or appeal an assessment to the Assessment Appeals Board. See "– Reductions in Tax Base and Assessed Values" and "PLEGGED TAX REVENUES AND DEBT SERVICE – Assessment Appeals," above.

Bond Insurance Risk Factors

[The Successor Agency may obtain a bond insurance policy issued by [2023 Insurer] to guarantee the scheduled payment of principal of and interest on all or a portion of the 2023A/B Bonds. The Successor Agency has yet to determine whether an insurance policy will be purchased with the 2023A/B Bonds or either Series of the 2023A/B Bonds, which decision is at its sole and absolute discretion. If an insurance policy is purchased, the following are some risk factors relating to bond insurance.

In the event of default of the payment of principal or interest with respect to any Insured Bonds when due, any owner of such Insured Bonds would have a claim under the applicable Insurance Policy for such payments. Under most circumstances, default of payment of principal and interest would not obligate acceleration of the obligations of the bond insurer without appropriate consent of the bond insurer.

In the event the bond insurer was unable to make payment of principal and interest under the applicable Insurance Policy as such payments became due, the Insured Bonds insured by such Insurance Policy would be payable solely from the moneys received pursuant to the Indenture. In the event the bond insurer became obligated to make payments with respect to any of the Insured Bonds, no assurance is given that such event would not adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds.

The long-term ratings on the Insured Bonds would be dependent in part on the financial strength of [2023 Insurer], as the bond insurer, and its claim paying ability, which might change over time. No assurance is given that the long-term ratings of [2023 Insurer] and of the ratings on the Insured Bonds will not be subject to downgrade and such event could adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds. See "RATINGS."

The obligations of [2023 Insurer] would be general obligations of [2023 Insurer] and in an event of default by [2023 Insurer], the remedies available might be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the Successor Agency nor the Underwriters will make any independent investigation into the claims paying ability of [2023 Insurer] and no assurance or representation regarding the financial strength or projected financial strength of [2023 Insurer] will be given. Thus, when making an investment

decision, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the 2023A/B Bonds and the claims paying ability of [2023 Insurer], particularly over the life of the investment. See “INTRODUCTION – Bond Insurance” and “BOND INSURANCE” herein for further information provided by [2023 Insurer].]

[Reserve Policy Risk Factors]

[The Successor Agency may obtain a reserve policy issued by [2023 Insurer] in lieu of a cash deposit to the 2023A Reserve Subaccount, the 2023B Reserve Subaccount or both Reserve Subaccounts in the Reserve Account to satisfy the Reserve Requirement for the 2023A/B Bonds. The Successor Agency has yet to determine whether to obtain a reserve policy, which decision is at the sole and absolute discretion of the Successor Agency. If a reserve policy is obtained, the following are some risk factors relating to reserve policies.

In the event of insufficient Pledged Tax Revenues to pay the scheduled principal of or interest on the 2023 Series A Taxable Bonds or the 2023 Series B Bonds when due, the Trustee would draw upon the applicable reserve policy, if any, for all or a portion of such payments. The obligations of [2023 Insurer], as the policy provider, would be unsecured contractual obligations and in an event of default by [2023 Insurer], the remedies available might be limited by applicable bankruptcy law or other similar laws related to insolvency.

The long-term ratings on the Series of 2023A/B Bonds, if any, with respect to which a reserve policy has been obtained, would be dependent in part on the financial strength of [2023 Insurer] and its claim paying ability, which might change over time.

Neither the Successor Agency nor the Underwriters will make independent investigation into the claims paying ability of [2023 Insurer] and no assurance or representation regarding the financial strength or projected financial strength of [2023 Insurer] will be given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Successor Agency to pay principal of and interest on the 2023A/B Bonds and, if applicable, the claims paying ability of [2023 Insurer], particularly over the life of the investment.]

Hazardous Substances

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

In 1995, the United States Navy (the “**Navy**”) determined, and the United States Environmental Protection Agency (the “**US EPA**”), the State of California and the San Francisco Department of Public Health agreed, that the lands making up the Hunters Point Hill Residential District (Hunters Point Shipyard Project Area), which is part of the Project Areas, also referred to as “**Parcel A**” or “**Shipyard Phase 1**,” (which consisted of soldiers’ barracks and which was the site of accessory activities during its use as a military base) posed no threat to human health or the environment and required no further action. In 1999, the US EPA removed Parcel A from the National Priorities (Superfund) List and confirmed that the site was safe for its intended use as a residential community.

In 2004, the Navy conveyed Parcel A to the Former Agency after determinations by the Navy, the US EPA, the California Environmental Protection Agency and the San Francisco Department of Public Health that all necessary investigation and remediation of potential contamination had been completed for Parcel A, and that Parcel A was suitable for residential reuse. Thereafter, the Former Agency transferred Parcel A (with the exception of certain affordable housing sites, parks and roadway parcels retained by the Former Agency) to the master developer, who has commenced development. The master developer (or its assignees) has completed approximately 505 residential units within Parcel A-1 and broken ground on infrastructure or homesites for the remainder of its development on Parcel A, and continues to sell homes within Parcel A-1. The Successor Agency expects to use a portion of the proceeds from the sale of the 2023A/B Bonds to finance the development of affordable housing in Parcel A-1.

The Navy and its contractors have performed environmental remediation on other parcels making up the remainder of the Hunters Point Shipyard Project Area, referred to as “**Shipyard Phase 2**,” which are part of the Excluded Project Areas. Allegations of fraudulent testing have delayed the completion of such testing, and the Navy, with the oversight of federal, state and local environmental regulators, is currently implementing a review and focused retesting of previously remediated areas in Shipyard Phase 2. Under its agreement with the City and the Successor Agency, the Navy remains responsible for completing remediation activities on Shipyard Phase 2 lands prior to their transfer to the Successor Agency for use for their intended redevelopment purposes.

The allegations of fraud at Shipyard Phase 2 have resulted in litigation. A class action lawsuit¹ seeks damages against Navy contractors Tetra Tech EC, Inc. and Tetra Tech, Inc. (collectively, “**Tetra Tech**”) for, among other things, fraudulent performance of Tetra Tech’s environmental remediation work in the Hunters Point Shipyard Project Area. The case remains pending. Such lawsuit does not name the Successor Agency or the City as defendants. It seeks to enjoin development at the Hunters Point Shipyard Project Area, which could include remaining development at Parcel A, until independent verified reports can be obtained showing complete and total remediation of all alleged toxic substances. Plaintiffs have not yet taken action to obtain injunctive relief. Certain of the plaintiffs in the lawsuit tentatively settled all claims in March 2021 (awaiting final approval by all parties).

In response to the allegations against Tetra Tech for its work in Shipyard Phase 2, the California Department of Public Health (“**CDPH**”) conducted a radiological survey of Parcel A at the behest of the City and federal and state representatives. CDPH performed a phased-approach radiological survey to assess the health and safety of the public and the environment at Parcel A. In its final report dated February 5, 2019, CDPH declared the first subphase of Parcel A (known as “**Parcel A-1**” or the “**Hilltop**”) to be free from radiological health and safety hazards. In its final report dated April 24, 2019, CDPH similarly declared the remainder of Parcel A (known as “**Parcel A-2**” or the “**Hillside**”) to be free from radiological health and safety hazards.

To address continued concerns and questions from the community regarding the testing conducted on Parcel A, experts from UC San Francisco and UC Berkeley conducted an impartial analysis of CDPH’s procedures for Parcel A. The report, released in December 2019, concluded that CDPH’s health and safety scan on Parcel A was appropriate as a health and safety survey. The panel of experts supported CDPH’s conclusion that no radiological health and safety hazards to the current residents of Parcel A were observed.

Lastly, at the request of community members and local representatives and out of abundance of caution, affordable housing developers performed additional radiological soil testing at the Successor Agency’s three affordable housing parcels within Parcel A-1 in advance of commencing construction thereon. [These tests _____.]

¹Summaries of the class action lawsuit included herein are based on publicly available information not confirmed for accuracy.

Reduction in Inflation Rate

As described in greater detail below, Article XIII A of the California Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent (2%) increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2023A/B Bonds could reduce Pledged Tax Revenues. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The State Board of Equalization directed county assessors to use 1.036% as the inflation factor for purposes of preparing the 2021-22 tax roll and 2% as the inflation factor for purposes of preparing the 2022-23 tax roll. The Successor Agency is unable to predict future adjustments to the full cash value of real property within any of the Project Areas, whether an increase or a reduction. See “LIMITATIONS ON TAX REVENUES – Tax Limitations – Article XIII A of California Constitution.”

Delinquencies

The Successor Agency does not have any independent power to levy and collect property taxes. Delinquencies in the payment of property taxes could have an adverse effect on the Successor Agency’s ability to make timely debt service payments. However, the City has adopted the Teeter Plan and provides one hundred percent (100%) of tax revenues to the Successor Agency regardless of delinquencies. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Teeter Plan*.” Such plan may be discontinued at any time.

Investment Risk

As provided in the Indenture, moneys in the Debt Service Fund, the Interest Account, the Principal Account, the Reserve Account and the Redemption Account are required to be invested in Permitted Investments and moneys in the Special Fund into which Pledged Tax Revenues are initially deposited may be invested by the Successor Agency in any obligations in which the Successor Agency is legally authorized to invest its funds. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture or the Special Fund could have a material adverse effect on the security for the 2023A/B Bonds.

Bankruptcy and Foreclosure

The payment of the property tax revenue from which Pledged Tax Revenues are derived and the ability of the City to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors’ rights (such as the Soldiers’ and Sailors’ Relief Act of 1940 discussed below) or by the laws of the State relating to judicial foreclosure.

The rights of the Owners of the 2023A/B Bonds and the enforceability of the obligation to make payments on the 2023A/B Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The various legal opinions to be delivered concurrently with the delivery of the 2023A/B Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors’ rights, by the

application of equitable principles and by the exercise of judicial discretion in appropriate cases. See APPENDIX E – “FORM OF BOND COUNSEL FINAL OPINION.”

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of the principal of and interest on the 2023A/B Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of property taxes, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws, payment of property taxes may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over property taxes in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

In addition, the United States Bankruptcy Code might prevent moneys on deposit in the Retirement Fund from being applied to pay principal of, or interest on, the 2023A/B Bonds, if bankruptcy proceedings were brought by or against a landowner and if the court found that any of such landowner had an interest in such moneys within the meaning of Section 541(a)(1) of the United States Bankruptcy Code.

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

As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Allocation of Taxes Pursuant to the Redevelopment Dissolution Act – *Teeter Plan*,” under its current policies, the City Controller distributes one hundred percent (100%) of tax increment revenues allocated to the Successor Agency without regard to delinquencies in the payment of property taxes. However, there can be no assurance that such policies will not be changed in the future.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy and collect property taxes. As discussed herein, the Successor Agency only receives, on an annual basis, that amount of tax increment revenue required for it to pay debt service, enforceable obligations and administrative expenses. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Pledged Tax Revenues, and accordingly, could have an adverse impact on the ability of the Successor Agency to pay debt service on the 2023A/B Bonds. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes could have an adverse effect on the Successor Agency’s ability to make timely payments on the 2023A/B Bonds. The City allocates property taxes to the Successor Agency based on one hundred percent (100%) of the tax levy, notwithstanding any delinquencies. However, the City may discontinue such practice at any time. If there is a decline in the general economy of the Project Areas, the owners of property within the Project Areas may be less able or less willing to make timely payments of property taxes, causing a delay or stoppage of Pledged Tax Revenues received by the Successor Agency from the Project Areas.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2023 Series B Bonds, the Successor Agency has covenanted in the Indenture to comply with the

applicable requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”). The interest on the 2023 Series B Bonds could become includable gross income for purposes of federal income taxation retroactive to the date of issuance of the 2023 Series B Bonds as a result of acts or omissions of the Successor Agency in violation of these or other covenants in the Indenture applicable to the 2023 Series B Bonds. The 2023 Series B Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See “TAX MATTERS.”

Risk of Tax Audit

In December 1999, as a part of a larger reorganization of the Internal Revenue Service (the “**IRS**”), the IRS commenced operation of its Tax Exempt and Government Entities Division (the “**TE/GE Division**”), as the successor to its Employee Plans and Exempt Organizations division. The TE/GE Division has a subdivision that is specifically devoted to tax-exempt bond compliance. There is no assurance that if an IRS examination of the 2023 Series B Bonds was undertaken it would not adversely affect the market value of the 2023 Series B Bonds. See “TAX MATTERS.”

Secondary Market

There can be no guarantee that there will be a secondary market for the 2023A/B Bonds, or if a secondary market exists, that the 2023A/B Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the marketability, liquidity or market price for the 2023A/B Bonds will not be affected by the introduction or enactment of any future legislation or executive order (including, without limitation, amendments to or repeal of any portions of the Tax Code), or by any state constitutional amendments, court decisions, changes in interpretation of the Tax Code, or actions of the IRS, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the 2023 Series B Bonds for audit examination, or the course or result of any IRS audit or examination of the 2023 Series B Bonds or obligations that present similar tax issues as the 2023 Series B Bonds.

Senior Obligations

As discussed above, certain Project Areas have prior obligations to which tax increment from such Project Areas is committed on a basis senior to debt service on the 2023A/B Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Existing Senior Obligations – *Project Area-Specific Prior Obligations.*” In addition, the payment of debt service on the 2023A/B Bonds from tax increment revenues from the Project Areas is subordinate to the Successor Agency’s obligations to pay debt service on the Existing Senior Loan Agreements and the Second Lien Debt. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Existing Senior Obligations.”

However, the Successor Agency has covenanted that, so long as Third Lien Bonds are Outstanding, the Successor Agency will not issue any bonds, notes or other obligations, enter into any agreement or otherwise incur any indebtedness, which is in any case payable from all or any part of the Tax Revenues (as defined in the Existing Senior Loan Agreements) or Pledged Tax Revenues on a basis senior to the payment of debt service on the Third Lien Bonds, including the 2023A/B Bonds, except for obligations issued to refund any of the Existing Senior Loan Agreements or Second Lien Debt, but only if the debt service in any Bond Year does not increase as a result of such refunding. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Limitations on Additional Indebtedness – *Senior Debt.*”

Parity Obligations

As described in “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS – Limitations on Additional Indebtedness – *Third Lien Parity Debt*,” the Successor Agency may issue or incur additional obligations secured by a lien on Pledged Tax Revenues on a parity with its pledge of the lien on Pledged Tax Revenues in favor of the 2023A/B Bonds subject to the satisfaction of certain conditions set forth in the Indenture. The existence of and the potential for additional Third Lien Parity Debt increases the risks associated with the Successor Agency’s payment of debt service on the 2023A/B Bonds in the event of a decrease in the Successor Agency’s collection of tax revenues. The Successor Agency currently anticipates needing to finance approximately \$[] million of infrastructure in the Transbay Project Area in the next five years and approximately \$[] million of affordable housing by 2030 and anticipates doing so through the issuance of additional bonds on a parity with the 2023A/B Bonds. The amounts and time in the preceding sentence reflect current projections; no assurance can be given as to the exact timing or amount of any additional bond issuances.

2023A/B Bonds are Limited Obligations

The 2023A/B Bonds are special, limited obligations of the Successor Agency and as such are not debt of the City, the State or any of their political subdivisions other than the Successor Agency, and none of the City, the State or any of their political subdivisions other than the Successor Agency is liable for the payment thereof. The principal of, and premium, if any, and interest on, the 2023A/B Bonds are payable solely from Pledged Tax Revenues allocated to the Successor Agency and certain other funds pledged therefor under the Indenture. The 2023A/B Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2023A/B BONDS.” No Owner of the 2023A/B Bonds may compel exercise of the taxing power of the State, the City or any of their political subdivisions to pay the principal of, or premium, if any, or interest due on, the 2023A/B Bonds.

Limited Recourse on Default

If the Successor Agency defaults on its obligations under the Indenture, the Trustee has the right to accelerate the 2023A/B Bonds under certain circumstances. However, in the event of a default and such acceleration, there can be no assurance that the Trustee will have sufficient moneys available for payment of the 2023A/B Bonds.

LIMITATIONS ON TAX REVENUES

The 2023A/B Bonds are secured by a pledge of Pledged Tax Revenues described in this Official Statement. The Successor Agency does not have any independent power to levy and collect property taxes; accordingly, the amount of Pledged Tax Revenues available to the Successor Agency for payment of the principal of and interest on the 2023A/B Bonds is affected by several factors, including but not limited to those discussed below. See also “CERTAIN RISK FACTORS.”

Property Tax Collection Procedure

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

property has priority over all other liens arising pursuant to State law on the secured property, regardless of the time of creation of the other liens.

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

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

Delinquencies. The valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property are due March 1. Unsecured taxes enrolled by July 31, if unpaid, are delinquent August 31 and are subject to penalty; unsecured taxes added to the roll after July 31, if unpaid, are delinquent on the last day of the month succeeding the month of enrollment.

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

Supplemental Assessments. California Revenue and Taxation Code Section 75.70 provides for the supplemental assessment and taxation of property as of the occurrence of a change in ownership or completion of new construction. This statute provides increased revenue to the RPTTF to the extent that supplemental assessments as a result of new construction or changes of ownership occur within the boundaries of redevelopment project areas subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Project Areas, Tax Revenues may increase.

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

Taxation of Unitary Property

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

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

Tax Limitations – Article XIII A of California Constitution

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

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

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

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the no more than two percent (2%) annual adjustment (2% for Fiscal Year 2022-23) are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

The Successor Agency cannot predict whether there will be any future challenges or changes to California’s present system of property tax assessment or the effect of any such challenge or change on the Successor Agency’s receipt of Tax Revenues.

Article XIII B of California Constitution

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

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

Articles XIII C and XIII D of California Constitution

On November 5, 1996, California voters approved Proposition 218. Proposition 218 added Articles XIII C and XIII D to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the “Supermajority Vote to Pass New Taxes and Fees Act.” Proposition 26 amended Article XIII C of the California Constitution by adding an expansive definition for the term “tax,” which previously was not defined under the California Constitution. The 2023A/B Bonds are secured by sources of revenues that are not subject to limitation by Proposition 218 and are outside of the scope of taxes that are limited by Proposition 26.

Future Initiatives

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

TAX MATTERS

2023 Series A Taxable Bonds

The interest on the 2023 Series A Taxable Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, interest on the 2023 Series A Taxable Bonds is exempt from California personal income taxes.

The proposed form of opinion of Bond Counsel with respect to the 2023 Series A Taxable Bonds to be delivered on the date of issuance of the 2023 Series A Taxable Bonds is set forth in APPENDIX ____.

Owners of the 2023 Series A Taxable Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Series A Taxable Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2023 Series A Taxable Bonds, the ownership, sale or disposition of the 2023 Series A Taxable Bonds, or the amount, accrual or receipt of interest on the 2023 Series A Taxable Bonds.

2023 Series B Bonds

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2023 Series B 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 Series B Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the 2023 Series B Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2023 Series B Bonds.

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

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of the subcaption “—Federal Tax Status,” above. The original issue discount accrues over the term to maturity of the 2023 Series B 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 Series B Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2023 Series B Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers

of the 2023 Series B Bonds who purchase the 2023 Series B Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2023 Series B Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2023 Series B 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 Series B Bonds is sold to the public.

Under the Tax Code, bond premium is amortized on an annual basis over the term of the 2023 Series B Bond (said term being the shorter of the 2023 Series B Bond's maturity date or its call date). The amount of bond premium amortized each year reduces the adjusted basis of the owner of the 2023 Series B Bond for purposes of determining taxable gain or loss upon disposition. The amount of bond premium on a 2023 Series B Bond is amortized each year over the term to maturity of the 2023 Series B Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium 2023 Series B 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 Series B Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2023 Series B 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 Series B 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 Series B 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 2023 Series B 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 Series B Bonds, or as to the consequences of owning or receiving interest on the 2023 Series B Bonds, as of any future date. Prospective purchasers of the 2023 Series B 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 Series B Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2023 Series B 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 Series B Bonds, the ownership, sale or disposition of the 2023 Series B Bonds, or the amount, accrual or receipt of interest on the 2023 Series B Bonds.

LITIGATION

[Confirm?] There is no litigation now pending or, to the best knowledge of the Successor Agency, threatened to restrain or enjoin the execution or delivery of the 2023A/B Bonds or the Indenture or in any way questioning or affecting the validity of the foregoing or any of the proceedings for the authorization, sale, execution or delivery of the 2023A/B Bonds. In the opinion of the Successor Agency's General Counsel, there is no lawsuit or claim now pending against the Successor Agency, which if decided adversely

to the Successor Agency would materially affect the Successor Agency's finances so as to impair the ability of the Successor Agency to pay debt service on the 2023A/B Bonds as it becomes due.

A number of other lawsuits have been filed in the State that challenge the Redevelopment Dissolution Act or the application of certain of its provisions, but none of them have to date impaired the Successor Agency's ability to issue, and make payments for, the type of bonds contemplated by the offering described in this Official Statement. The Successor Agency is unable to predict the likely outcome of any remaining lawsuits or the possible impact, if any, of their outcomes on the distribution of property tax revenues or other moneys to the Successor Agency under the Redevelopment Dissolution Act or on the Successor Agency's ability to make payments of principal of and interest on the 2023A/B Bonds.

CONTINUING DISCLOSURE

The Successor Agency has covenanted for the benefit of the Owners of the 2023A/B Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than six (6) months after the end of the Successor Agency's Fiscal Year (presently June 30) in each year commencing with its Annual Report for the 2022-23 fiscal year and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of events will be filed by the Successor Agency, or the Dissemination Agent, if any, on behalf of the Successor Agency, with the MSRB. The specific nature of the information to be contained in the Annual Report and the notices of events is summarized in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel to the Successor Agency, will render an opinion with respect to the validity and enforceability of the Indenture and as to the validity of the 2023A/B Bonds. A copy of the form of such approving opinion is attached hereto as Appendix E. Certain legal matters incident to the issuance of the 2023A/B Bonds will be passed upon for the Successor Agency by its General Counsel. Alexis S. M. Chiu, Esq., is acting as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California.

Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization, issuance and sale of the 2023A/B Bonds, the exemption of interest on the 2023 Series B Bonds from federal income taxation, and the exemption of interest on the 2023A/B Bonds from California personal income taxes. See "TAX MATTERS" herein and APPENDIX E – "FORM OF BOND COUNSEL FINAL OPINION." Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the 2023A/B Bonds and expresses no opinion relating thereto.

Disclosure Counsel has served as disclosure counsel to the Successor Agency for the 2023A/B Bonds and in such capacity has advised the Successor Agency with respect to applicable federal securities laws and participated with responsible Successor Agency officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy, completeness and materiality. Disclosure Counsel is not responsible for independently verifying (through forensic audit or otherwise) the accuracy or completeness of the statements or information presented in this Official Statement. Rather, the Successor Agency is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon the issuance of the 2023A/B Bonds, Disclosure Counsel will deliver a letter to the Successor Agency, which advises the Successor Agency, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to

the attention of Disclosure Counsel, which caused him to believe that this Official Statement as of its date and as of the date of issuance of the 2023A/B Bonds contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect. No purchaser or holder of the 2023A/B Bonds, or other person or party other than the Successor Agency, will be entitled to or may rely on the letter from Disclosure Counsel addressed to the Successor Agency.

Fees payable to Bond Counsel, Disclosure Counsel and Underwriters' Counsel are contingent upon the sale and delivery of the 2023A/B Bonds.

MUNICIPAL ADVISOR

PFM Financial Advisors LLC has served as municipal advisor to the Successor Agency (the "**Municipal Advisor**") and provided advice with respect to the sale of the 2023A/B Bonds. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiated instruments. The Municipal Advisor has assisted the Successor Agency in the review of this Official Statement and in other matters relating to the planning, structuring, and sale of the 2023A/B Bonds. The Municipal Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Successor Agency to determine the accuracy or completeness of this Official Statement and assumes no responsibility for the accuracy or completeness of any of the information contained herein. The Municipal Advisor will receive compensation contingent upon the sale and delivery of the 2023A/B Bonds.

RATINGS

[S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC business ("**S&P**"), has assigned an underlying rating to the 2023A/B Bonds of "[]." [It is anticipated that S&P will assign the Insured Bonds an insured rating of "[]" based upon the issuance of the Insurance Policies by [2023 Insurer] at the time of delivery of the 2023A/B Bonds.] Such ratings reflect only the view of such organization, and an explanation of the significance of the ratings may be obtained by contacting S&P. Such ratings are not a recommendation to buy, sell or hold the 2023A/B Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2023A/B Bonds. The Successor Agency undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

FINANCIAL STATEMENTS

The audited financial statements of the Successor Agency for the Fiscal Year ended June 30, 2022, are included as part of APPENDIX A – "SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022." Such financial statements have been audited by Macias Gini & O'Connell, LLP (the "**Auditor**"), independent certified public accountants, whose report also appears in Appendix A. The Auditor was not requested to consent to the inclusion of its report in Appendix A, nor has the Auditor undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

FISCAL CONSULTANT REPORT

In connection with the issuance of the 2023A/B Bonds, the Successor Agency has engaged Urban Analytics, LLC, San Francisco, California, to prepare a Fiscal Consultant Report. See APPENDIX B – “FISCAL CONSULTANT REPORT.”

UNDERWRITING

The 2023A/B Bonds will be sold to Stifel, Nicolaus & Company, Incorporated, as representative of itself and Backstrom McCarley Berry & Co., LLC (collectively, the “**Underwriters**”), pursuant to a bond purchase contract for the 2023A/B Bonds (the “**Purchase Contract**”) between the Successor Agency and the Underwriters. The Underwriters have agreed to purchase the 2023 Series A Taxable Bonds for \$[] (which amount represents the \$[] aggregate principal amount of the 2023 Series A Taxable Bonds, [plus a[n] [net] original issue premium of \$[],]less an underwriters’ discount of \$[]) and the 2023 Series B Bonds for \$[] (which amount represents the \$[] aggregate principal amount of the 2023 Series B Bonds, [plus a[n] [net] original issue premium of \$[],] less an underwriters’ discount of \$[]).

The initial public offering prices of the 2023A/B Bonds may be changed from time to time by the Underwriters. The Purchase Contract for the 2023A/B Bonds provides that the Underwriters will purchase all (but not less than all) of the 2023A/B Bonds and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract including, among others, the approval of certain legal matters by counsel.

CERTAIN RELATIONSHIPS

[To be provided by Underwriters, if any]

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MISCELLANEOUS

All the summaries contained herein of the Indenture, applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith. The Successor Agency will provide, upon request, annual audited financial statements when available.

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

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

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

By: _____
Deputy Director of Finance and Administration

APPENDIX A

**SUCCESSOR AGENCY'S AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

APPENDIX B
FISCAL CONSULTANT REPORT

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) in connection with its issuance of \$[2023A Par] aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) [(Social Bonds)] (the “2023 Series A Taxable Bonds”) and \$[2023B Par] aggregate principal amount of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Project) (the “2023 Series B Bonds” and, together with the 2023 Series A Taxable Bonds, the “Bonds”). The Bonds are being issued in accordance with Sections 34177.7(a)(1)(A) and (B) of the California Health and Safety Code (the “Redevelopment Law”), the resolution of the Successor Agency adopted on July 20, 2021 (the “Resolution”), and the Indenture of Trust, dated as of March 1, 2017 (the “Original Indenture”), by and between the Successor Agency and U.S. Bank Trust Company, National Association, as successor-in-interest to U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented prior to the date hereof and as further amended and supplemented by a Second Supplement to Indenture of Trust, dated as of [] 1, 2023 (as so amended and supplemented, the “Indenture”), by and between the Successor Agency and the Trustee. The Successor Agency covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

“Official Statement” means the final Official Statement dated [____], 2023, relating to the Bonds.

“Participating Underwriters” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Project Areas” means the Project Areas as defined in the Official Statement.

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

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than each Annual Report Date, commencing December 31, 2023, with respect to 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. Not later than fifteen (15) business days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent, if other than the Successor Agency. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the financial information regarding each of the Project Areas may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date if not available by that date. If the Successor Agency’s or any of the Project Area’s Fiscal Year changes, the Successor Agency, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(c) below. The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Successor Agency and shall have no duty or obligation to review such Annual Report.

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

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

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

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

(ii) if the Dissemination Agent is other than the Successor Agency, file a certificate with the Successor Agency to the effect that the Annual Report has been provided pursuant to this Disclosure Certificate, stating, to the extent it can confirm such filing of the Annual Report, the date it was provided.

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

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

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

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

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

3. Assessed valuations and tax increment for the fiscal year to which the Annual Report pertains, by means of an update to the "Historical and Current Assessed Valuations and Net Available Tax Increment Revenue by Project Areas" table as shown in Table 4 of the Official Statement;

4. Estimated all-in debt service coverage for obligations of the Successor Agency for the fiscal year to which the Annual Report pertains by means of an update to the "Estimated All-In Debt Service Coverage" table shown in Table 6 and Table 7 of the Official Statement; and

5. Assessment appeals for the fiscal year to which the Annual Report pertains by means of an update to the "Assessment Appeals in the Project Areas" table shown in Table 8 of the Official Statement.

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

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

Section 5. Reporting of Significant Events.

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

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposal Issue (IRS Form 5701-TEB);
6. Tender Offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the obligated person;
10. Default, event of acceleration, termination event, modifications of terms, or other similar events under the terms of a Financial Obligation of the Successor Agency, any of which reflect financial difficulties; and
11. The issuance of any private placement bonds or the entering into any bank loan of the type, in each case, that would constitute Third Lien Parity Debt as defined in the Indenture, including the related debt service schedule, to the extent this is not already disclosed on EMMA.

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

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

1. Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to the rights of Bondholders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. The consummation of a merger, consolidation, or acquisition involving the Successor Agency or the sale of all or substantially all of the assets of the Successor Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
7. Appointment of a successor or additional trustee or the change of the name of a trustee; and
8. Incurrence of a Financial Obligation of the Successor Agency, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a

Financial Obligation of the Successor Agency, any of which affect security holders.

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

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

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

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

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

Section 8. Dissemination Agent. From time to time, the Successor Agency may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is not a designated Dissemination Agent, the Successor Agency shall be the Dissemination Agent. The Dissemination Agent may resign by providing sixty (60) days prior written notice to the Successor Agency.

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

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

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

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the request of any Participating Underwriter or the holders of at least twenty-five percent (25%) aggregate principal amount of Outstanding Bonds, shall), after receiving indemnification satisfactory to the Trustee, or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent and the Trustee shall be entitled to the protections and limitations from liability afforded to the Trustee in Article 6 of the Indenture. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Successor Agency agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Trustee shall not be required to consent to any amendment which would impose any greater duties or risk of liability on the Trustee. No person shall have any right to commence any action against the Trustee seeking any remedy other than to compel specific performance of this Disclosure Certificate. The Trustee shall not be liable under any circumstances for monetary damages to any person for any breach of this Disclosure Certificate.

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

To the Successor Agency:

Successor Agency to the Redevelopment Agency
of the City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Fax: (415) 749-2527
Attention: Deputy Director of Finance and
Administration

To the Participating Underwriters:

Stifel, Nicolaus & Company, Incorporated
2121 Avenue of the Stars, Suite 2150
Los Angeles, CA 90067
Fax:
Attention:

To the Trustee:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
Mail Code: SF-CA-SFCT
San Francisco, CA 94111
Fax: (415) 677-3769
Attention: Global Corporate Trust and Escrow Services

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

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Trustee, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ____ __, 2023

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

By: _____
Deputy Director of
Finance and Administration

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

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

Names of Issues: Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series A Taxable Third Lien Tax Allocation Bonds (Affordable Housing Projects) [(Social Bonds)] and Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2023 Series B Third Lien Tax Allocation Bonds (Transbay Infrastructure Projects)

Date of Issuance: _____, 2023

NOTICE IS HEREBY GIVEN that the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate dated _____, 2023, of the Successor Agency. The Successor Agency anticipates that the Annual Report will be filed by _____.

Dated: _____

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

By: _____
Title: _____

APPENDIX E

FORM OF BOND COUNSEL FINAL OPINION

[Closing Date]

[To be provided by Bond Counsel]

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The information in this Appendix F concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. Accordingly, the DTC Participants, the Indirect Participants and the Beneficial Owners should not rely on the information in this Appendix F with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2023A/B Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the 2023A/B Bonds, or (c) notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2023A/B Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current “Rules” applicable to DTC are on file with the Securities and Exchange Commission and the current “Procedures” of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2023A/B Bonds. The 2023A/B Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of each Series of the 2023A/B Bonds. The 2023A/B Bonds will be deposited with DTC.

DTC, the world’s largest Securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity and corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to DTC’s system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of 2023A/B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2023A/B Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2023A/B Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of

their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2023A/B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2023A/B Bonds, except in the event that use of the book-entry system for the 2023A/B Bonds is discontinued.

To facilitate subsequent transfers, all 2023A/B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2023A/B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2023A/B Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such 2023A/B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2023A/B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2023A/B Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2023A/B Bond documents. For example, Beneficial Owners of 2023A/B Bonds may wish to ascertain that the nominee holding the 2023A/B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2023A/B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2023A/B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, and premium, if any, and interest on, the 2023A/B Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, and premium, if any, and interest on, the 2023A/B Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2023A/B Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2023A/B Bond certificates are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2023A/B Bond certificates will be printed and delivered to DTC.

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

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF 2023A/B BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

APPENDIX G

**CALIFORNIA DEPARTMENT OF FINANCE
DETERMINATION LETTER APPROVING THE 2023A/B BONDS**

