Treasure Island Development Program

Resolutions of Intent:
Infrastructure and Revitalization Financing District
and Community Facilities District Formation

August 29, 2016
Actions for CPC Consideration

Recommendation to Approve IRFD Resolutions of Intention

• Resolution of Intention to Establish an Infrastructure and Revitalization Financing District
• Resolution Authorizing Preparation of an Infrastructure Financing Plan
• Resolution of Intention to Issue Bonds Related to IRFD

Recommendation to Approve CFD Resolutions of Intention

• Resolution of Intention to Establish Community Facilities District
• Resolution of Intention to Incur Bonded Indebtedness
Treasure Island Development Authority

Program Update

- Initial property transfer from the Navy in May 2015
- Five additional transfers anticipated over the next 18 months
- Final transfer at the end of 2021

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcels B3, 21 &amp; 27</td>
<td>05/31/2016</td>
</tr>
<tr>
<td>Parcels Building 233, UC 1 &amp; UC 2</td>
<td>09/30/2016</td>
</tr>
<tr>
<td>Parcels 30, 30N, 30S, 30W &amp; 31</td>
<td>01/31/2017</td>
</tr>
<tr>
<td>Parcels 6 &amp; 32</td>
<td>07/31/2017</td>
</tr>
<tr>
<td>Parcel 24</td>
<td>01/30/2018</td>
</tr>
<tr>
<td>Parcel 2</td>
<td>12/31/2020</td>
</tr>
<tr>
<td>Parcels 12A, 12B &amp; Navy Retained Sites</td>
<td>12/31/2021</td>
</tr>
</tbody>
</table>
Program Update

- Development parcels in the first subphase areas transferred to TICD in February 2016
- Demolition on Yerba Buena Island complete
- Demolition on Treasure Island underway
Program Update

- Initial infrastructure contracts awarded, being bid, or undergoing permit review
  - Water reservoir design/build
  - Tree relocation/preservation
  - Yerba Buena Island utility/right-of-way infrastructure
  - Treasure Island geotechnical & causeway reconstruction
  - Treasure Island utility/right-of-way infrastructure
DDA and Financing Plan

• TICD to finance and construct public and private improvements

• City to provide public financing for reimbursement of eligible island-wide public improvements delivered by TICD
  - Forming Infrastructure Financing District(s) under State of California Government Code to pay for Qualified Project Costs
  - Forming Community Facilities District(s) under the Mello-Roos Community Facilities Act of 1982 to pay for Qualified Project Costs, On-going Park Maintenance and Additional Community Facilities
  - No recourse to the General Fund for developer reimbursements

• With development activities beginning need to establish Financing Districts to provide for reimbursements
  - Have been working with TICD, Office of Public Finance and outside consultants to prepare for formation over the past 12 months
IFD and CFD Collections

1% Ad Velorem Property Tax Levy

- **Supplemental Community Facilities Assessment**
- **Assessments, Charges, & Fees**
- **State/Local & Regional Agencies (43.3% of Ad Velorem Tax Levy)**
  - City/County Share Committed to Infrastructure Financing District (56.7% of Ad Velorem Tax)
  - City/County Share Subordinated to IFD Financing (8% of Ad Velorem Tax)

CFD Assessment
Treasure Island Development Program

Development Program

- 2,173 Units (27.2% Affordable)
- Up to 500 Hotel Rooms
- Up to 450,000sf Retail & Historic Reuse
- Up to 100,000sf Office

Public Benefits

- 300 acres of open space (capital and O&M)
- Transit equipment, facilities and operating subsidy
- New utilities, streets, police & fire station, community facilities, and other public infrastructure
- Geotechnical improvements
- Sea level rise adaptations (present & future)
Infrastructure and Revitalization Financing District

- Property Tax Increment Financing
  - Financing Plan commits 56.69% out of 64.69% in property tax collected by CCSF to project financing
  - Additional 8% subordinated to project financing
- Formed over a specific geographic area
- May finance infrastructure with community-wide significance and a useful life of fifteen years or more
- May finance affordable housing, but may not finance services
- Fiscal Analysis shows that General Fund revenues arising from development will exceed project driven General Fund expenses
Infrastructure and Revitalization Financing District

• Initial Formation Area –
  • Maximum aggregate principal amount of $780M (nominal) from Initial Project Areas
  • Additional properties will be annexed as each subphase moves forward
Community Facilities District

• Levies a *supplemental* tax on properties within a specified district
• Tax based on gsf of land use – commercial/retail, hotel, or residential type (townhome, low-, mid-, or high-rise)
• Fund eligible infrastructure expenses with a useful life of five years or more
• May also finance services and maintenance activities, but may not fund affordable housing
• Intended to:
  • Reimburses eligible developer public infrastructure costs
  • Finance future sea level rise adaptations
  • Provide on-going revenue stream to fund maintenance of TIDA facilities, parks and open spaces
Community Facilities District

- Initially a Facilities (capital) CFD
  - First 42 years committed to developer reimbursement of infrastructure/public benefits (plus on-going O&M expenses)
  - Establish capital reserve of $250 million (2016$) for sea level rise adaptations
- Transition from Capital CFD to Maintenance CFD after 99 years, if not earlier
- Term of Maintenance CFDs are not limited by law
  - Proposed term of 999 years
Community Facilities District

- Initial Formation Area limited to YBI Development Parcels
  - Additional properties will be annexed as subphases moves forward
Formation Timeline

- **Q2 2016**: Finalize boundary maps, infrastructure financing plan (IFP), and rate and method of apportionment (RMA)
- **Q3 2016**: Submit resolutions of intent to BOS for approval, schedule public hearings, validate voting pool
- **Q4 2016**: Hold public hearings, formation/bond elections held, BOS adopts resolutions of formation
- **Q1-Q2 2017**: Judicial validation of IRFD and formation of CFD
Resolutions of Intent

**IFD**
- Resolution of Intention to Establish an Infrastructure and Revitalization Financing District
- Resolution Authorizing Preparation of an Infrastructure Financing Plan
- Resolution of Intention to Issue Bonds Related to IRFD

**CFD**
- Resolution of Intention to Establish Community Facilities District
- Resolution of Intention to Incur Bonded Indebtedness
Discussion