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Treasure Island Development Authority PROGRAM UPDATE

October 26, 2020

AGENDA

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1. Program Update
2. Public Financing Update
3. Capital Programs
 - SFCTA Bay Bridge Access Improvements
 - Transportation Programs (TIMMA Partnership)
 - Affordable Housing
 - TIDA Facilities
 - SFUSD School Site
 - Wastewater Treatment Plant

PROGRAM UPDATE:

Subphase 1: Yerba Buena Island

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- Subdivision Map Recorded in April 2018
- Street Improvement/Infrastructure Permit Issued
- Infrastructure improvements underway
- Macalla Road realignment/widening underway
- Water reservoir site work/retaining walls in construction
- First residential project broke ground in June 2019
- First building permit issued in June 2019; taxes levied beginning Dec. 2019



PROGRAM UPDATE:

Subphase 1: Yerba Buena Island

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Yerba Buena Island Development Program

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Developer Parcel	Product Type	Design Status	Permitting Status	Construction Start
The Bristol* (part of 4Y)	<ul style="list-style-type: none"> Five story condominium building Two levels of subterranean parking 	Design Complete	Design Review Complete; <u>Approved:</u> Site Permit, Shoring and Excavation Permit, Addenda 1 & 2 - Foundation & Superstructure, Addendum 4 - Site Utilities (DBI approved); <u>Under Review:</u> Addenda 3 - Architectural, Electrical, Mechanical & Fire, Addendum 5 - Fire Sprinklers	June 2019
3Y & 4Y	<ul style="list-style-type: none"> Courtyard Townhomes Luxury Flats Townhome Villas 	90% Construction Documents	Design Review Complete	Q1 2021
1Y	<ul style="list-style-type: none"> Courtyard Townhomes Luxury Flats Single-Family Homesites 	Design Development	Under review with Planning	Q1 2021
The Island Club (part of 3Y)	<ul style="list-style-type: none"> Amenity Building 	90% Construction Documents	Design Review Complete	Q2 2021

* Special Taxes are currently levied only on The Bristol property

Source: Yerba Buena Island Developer

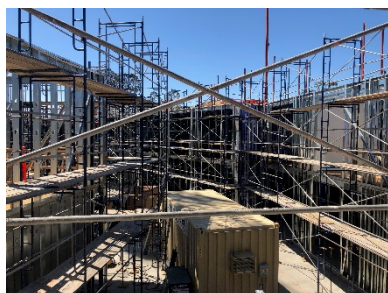
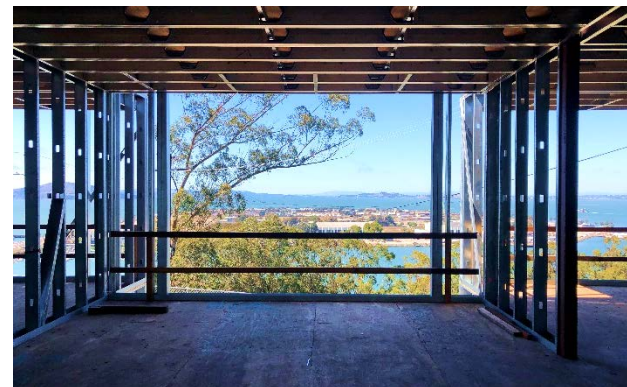
- Parcel 2Y is subject to the public trust, is not currently considered a Taxable Parcel and is only subject to taxation if leased to a third-party such as a hotel developer, and only the leasehold interest is taxable

Construction Commenced on Development Parcel 4Y: The Bristol 5-Story Condominium Project

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PLANNED 5-STORY CONDOMINIUM BUILDING:

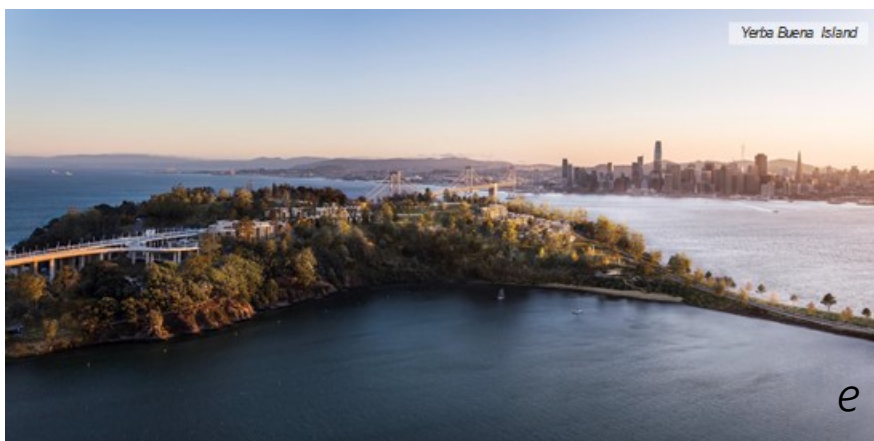
- 110 market-rate units and 14 inclusionary units
- Two levels of subterranean parking
- Expected completion in Q4 2021



Source: Yerba Buena Island Developer

Renderings of Planned Development Yerba Buena Island

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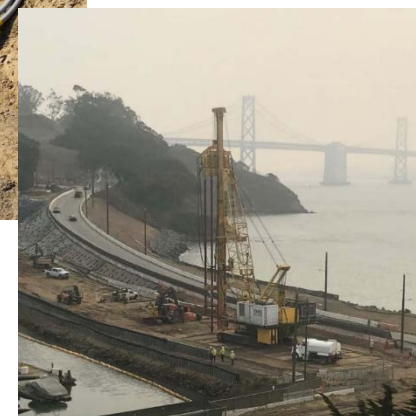
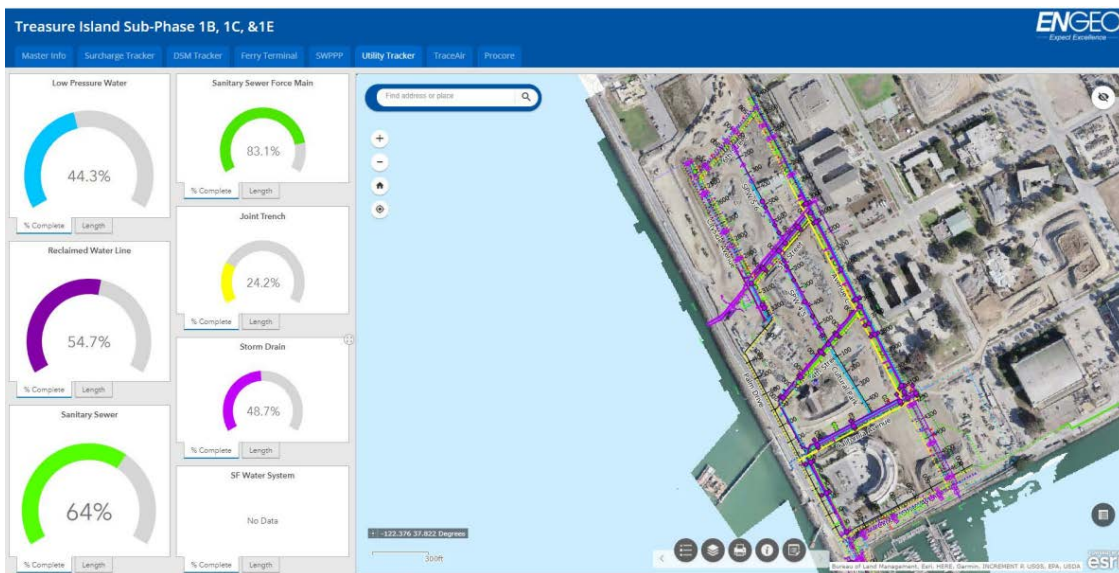
Source: Yerba Buena Island Developer

PROGRAM UPDATE:

Subphase 2: Treasure Island

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- Subdivision Map Recorded in September 2018
- Street Improvement/Infrastructure Permit Issued
- Geotechnical soil improvements nearing completion
- Causeway reconstruction underway
- Ferry Improvements under construction – to be completed Fall 2021
- Street Improvement/Infrastructure 50% complete



PROGRAM UPDATE:

Subphase 2: Offsite Improvements

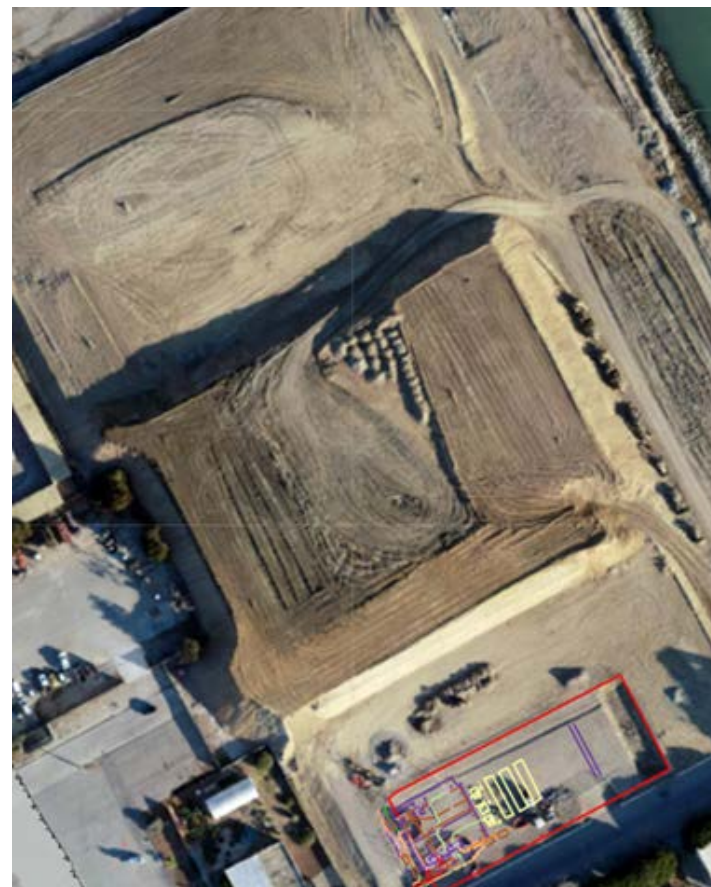
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■ Electrical Switchyard

- Geotechnical site improvements complete
- Installation of substructures and pads underway
- New switchgear to be delivered and installed Q1 2021

■ Wastewater Treatment Plant Site

- Vibratory compaction complete
- Site under surcharge
- SFPUC to advertise construction in Q1 2021

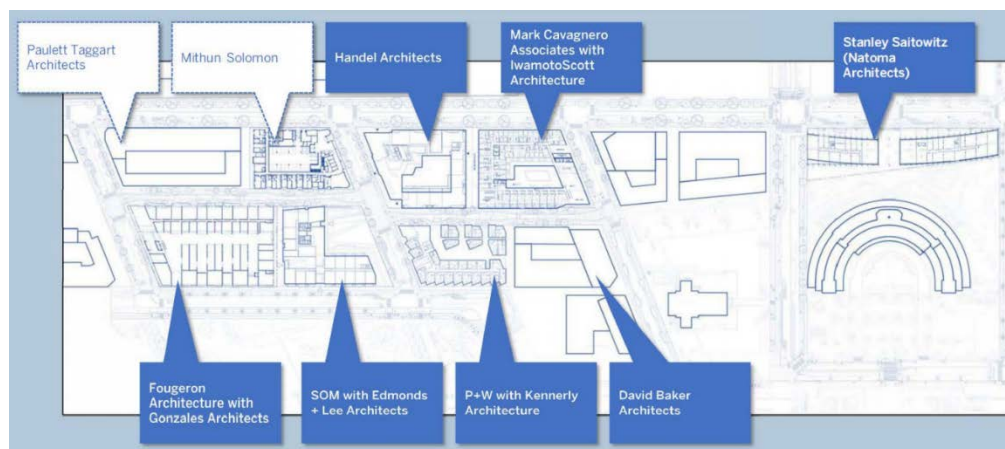


PROGRAM UPDATE:

Subphase 2: Vertical

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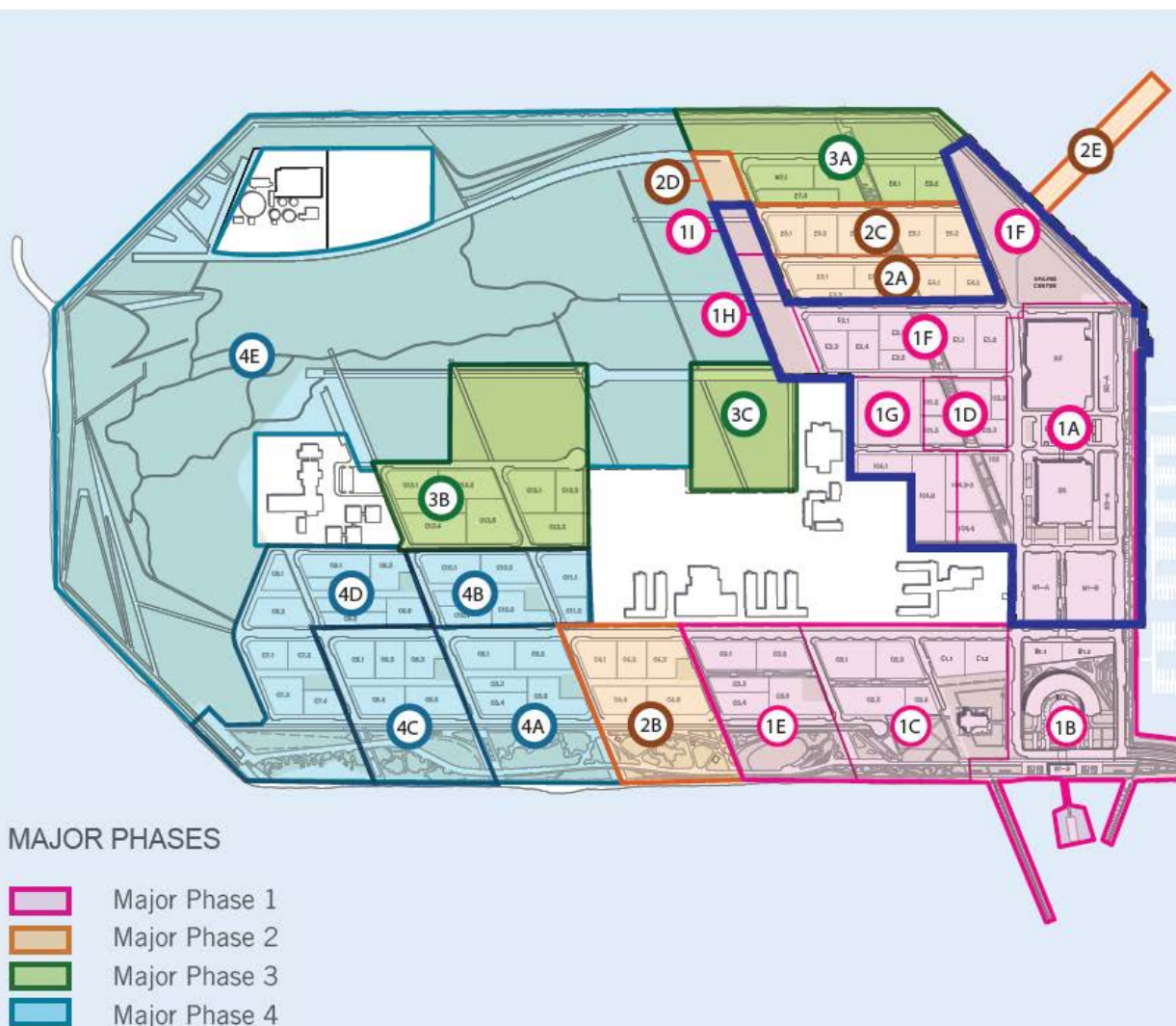
- First 100% affordable residential building broke ground in August 2020 – Maceo May
- Mercy Housing and Catholic Charities closing financing in Q2 2021
- Six market-rate vertical sites have planning approval



PROGRAM UPDATE:

Subphase 3: Treasure Island

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Encompasses Island Center Commercial core & transportation hub

- Important to provide service sector to growing community

Street Improvement Permit and Final subdivision map targeted for Q1 2021

Initial abatement and demolition projects completed

PROGRAM UPDATE:

Property Transfers

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- Two-thirds of property transferred from the Navy to TIDA

Parcel	Status
Early Ramps Project Transfer	Transferred November 2013
Initial Navy Closing	Transferred May 2015
Parcels B3, 21 & 27	Transferred Sept. 2016
Building 233, Parcels UC 1 & UC 2	Transferred August 2017
Parcels 30, 30N, 30S, 30W & 31	Transferred September 2018
Parcel 24	Transferred October 30, 2019
Parcel 2	Wastewater Treatment Plant site included in FOST 8. Navy to retain until Dec. 2020
Parcel 6 & 32	Field work complete. Used by Navy to support activities in Site 12. Transfer date uncertain – may be transferred concurrent with Parcel 2.
Parcels 12A, 12B & Navy Retained Parcels	Site subject to further remediation. Transfer not anticipated prior to 2025.



PUBLIC FINANCING UPDATE: CFD and IRFD Formation

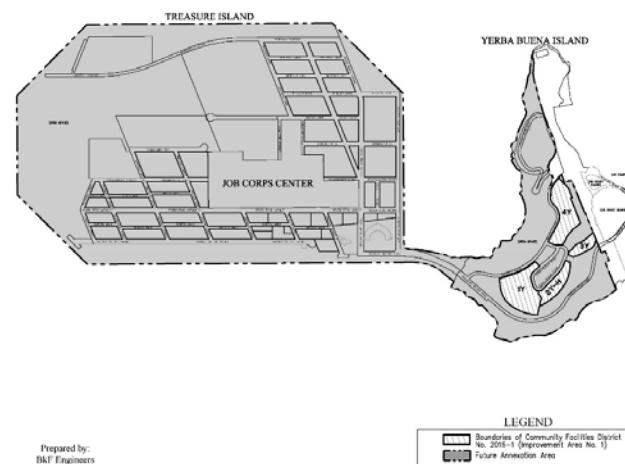
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PUBLIC FINANCING DISTRICTS FORMED IN JANUARY 2017

- ❑ Community Facilities District – special tax
 - CFD provides funding for public infrastructure and long-term funding for sea level rise adaptation strategies and parks and open space maintenance
- ❑ Infrastructure and Revitalization Financing District – tax increment
 - IRFD provides funding for public infrastructure and affordable housing
 - Court Validation of IRFD Formation in May 2018



Prepared by:
B&F Engineers



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B&F Engineers

PUBLIC FINANCING UPDATE:

Recent Financing Activity

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❑ Community Facilities District – special tax

- First bond issuance for Treasure Island CFD Improvement Area No. 1 (YBI) issued and closed in October 2020 in the amount of \$17,135,000
- Annexation of Improvement Area No. 2 (Treasure Island) completed in May 2020, and the process for Annexation of Improvement Area No. 3 (Treasure Island) is underway
 - Annexation procedures enable the CFD to levy special taxes on future development as building permits are issued

❑ Infrastructure and Revitalization Financing District – tax increment

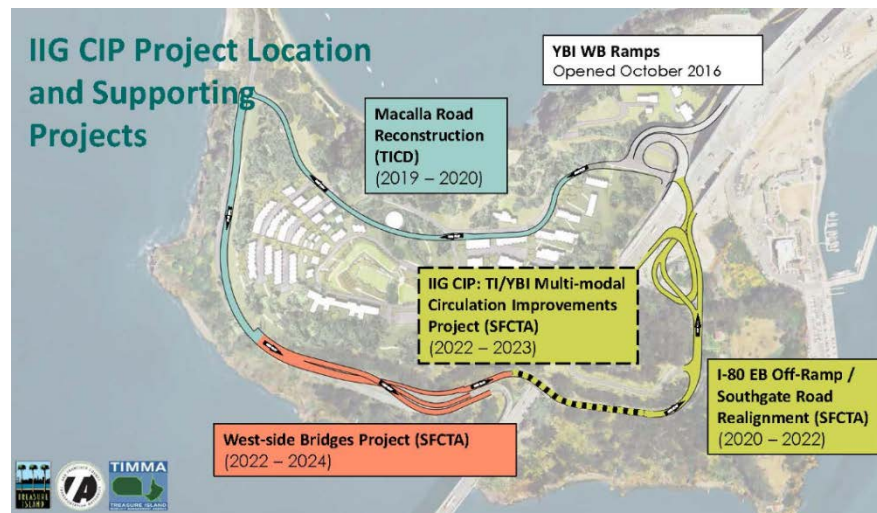
- Initial ad valorem Property Tax Bills issued November 2018
- No current plan to issue IRFD bonds in the near future

CAPITAL PROGRAMS:

SFCTA – Bay Bridge Access Improvements

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- New westbound ramps completed fall of 2016
- Eastbound off ramp & Hillcrest/Southgate interchange bids broke ground in June 2020
- Westside viaducts to begin construction in 2021



CAPITAL PROGRAMS:

Transportation Programs (TIMMA Partnership)

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- ❑ TIMMA Commission Tolling policies to be adopted by the end of 2020
 - Tolling would ideally commence with first new residential occupancy and start of new transit services
- ❑ Begin East Bay Transit service in late 2021 (1st residential occupancy)
 - Subject to adoption of toll policies and completion of access improvements
- ❑ Developer exploring directly funding potential early ferry service
 - Likely limited initially to weekday commute hours



CAPITAL PROGRAMS:

Transportation Programs (TIMMA Partnership)

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■ TIMMA Capital Program Costs

CAPITAL PROGRAM COST (From planning to implementation)	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	TOTAL
1) Toll Policy & Toll System	\$1.03	\$2.05	\$10.59	\$7.39	\$2.13	\$1.87	\$25.06
2) AV Shuttle Pilot	0.16	0.21	0.37	0.05	-	-	0.79
3) Project Management & Public Communications	0.54	0.70	2.43	1.11	0.17	0.22	5.17
4) Ferry Service	0.08	2.20	3.21	4.22	-	-	9.71
5) Bus Service & Transit Pass Implementation	0.06	0.08	0.36	-	-	-	0.50
6) Parking Management	-	0.06	0.10	-	-	-	0.16
7) Program Reserve (5%)	-	-	-	0.64	0.12	0.11	0.87
TOTALS:	\$1.87	\$5.30	\$17.06	\$13.41	\$2.42	\$2.20	\$42.26

CAPITAL PROGRAMS:

Transportation Programs (TIMMA Partnership)

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■ Funding Plan & Gap (in millions)

REVENUE	STATUS	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	TOTAL
1) Federal ATCMTD	Committed	\$0.42	\$1.39	\$3.47	\$-	\$-	\$-	\$5.28
2) TIDA	Committed	1.26	-	-	-	-	-	1.26
3) SFCTA Prop K	Committed	0.19	0.21	-	-	-	-	0.40
4) Federal ATCMTD	Planned	-	-	3.09	0.91	-	-	4.00
5) TIDA	Planned	-	1.70	1.50	1.50	1.50	1.31	7.51
6) FHWA Ferry Grant	Planned	-	-	-	3.00	-	-	3.00
7) TICD Ferry Match	Planned	-	-	-	1.22	-	-	1.22
8) TICD Fund Swap	Planned	-	-	-	2.50	-	-	2.50
SUBTOTAL:								\$25.17
9) AHSC Exchange	Potential	-	-	2.60	-	-	-	2.60
10) Local Partnership Program	Potential	-	-	1.00	-	-	-	1.00
11) Developer Subsidy Advance	Potential	-	-	0.65	0.85	-	-	1.50
12) TFCA/CARB/BAAQMD	Potential	-	2.00	3.00	-	-	-	5.00
13) MTC - Equity Contribution to Toll Program	Potential	-	-	1.64	0.41	-	-	2.05
14) Future SF/Regional Revenue Measure	Potential	-	-	0.11	0.80	0.80	0.80	2.51
15) TO BE DETERMINED	Potential	-	-	-	2.22	.12	0.09	2.43
SUBTOTAL (FUNDING GAP):								\$17.09
TOTALS:		\$1.87	\$5.30	\$17.06	\$13.41	\$2.42	\$2.20	\$42.26

CAPITAL PROGRAMS:

Transportation Programs (TIMMA Partnership)

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■ Funding Gap Fallout

- Local match required for timely use of high-profile federal grant
- Island will develop a car culture
- There will be zero pricing revenue collection
 - Developer subsidy (~\$30 million in \$4 million/yr. installments) will run out sooner, resulting in long-term financial deficit

■ The resulting fiscal deficits cause:

- Inability to operate and serve the public with transit, effectively or efficiently
- Long-term operational risk and increased financial burden

CAPITAL PROGRAMS:

Affordable Housing

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Overview of Residential Housing Plan

- Maximum allowable units on TI and YBI = 8,000
- Total market rate units for rent and sale = 5,827 (73%)
 - Of these 5,827 units, 266 (5%) are on YBI
- Total affordable units = 2,173 (27.2%)
 - 307 (14% of affordable units and 5% of TICD unit count) are inclusionary units that will be developed by master developer or its affiliates
 - 1,866 (86%) are “Authority Units”* to be developed by non-profit affordable housing developers
 - 435 of Authority Units are reserved for homeless households and will be developed by qualified One Treasure Island non-profit developer members

CAPITAL PROGRAMS:

Affordable Housing – First 5 Projects

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Developer	Target Population	# Units	Construction Start
Swords to Plowshares and Chinatown CDC	Homeless and low income veterans	105	Aug. 2020
Catholic Charities and Mercy Housing	CC replacement units, new AH units (including income eligible pre-DDA households), and non-income qualifying pre-DDA households	135	Q3 2021
Community Housing Partnership	Formerly homeless families	112	Est. 2023
HR360 and Mercy Housing	HR360 Replacement units and new AH units for low income households (including income eligible pre-DDA) and non-income qualifying pre-DDA HH	160	Est. 2025 - <i>could precede Community Housing Partnership</i>
TBD	New AH units for low income households (including income eligible pre-DDA), non-income qualifying pre-DDA households, and homeless households	180	Est. 2026

CAPITAL PROGRAMS:

TIDA Facilities

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▣ Public Buildings Renovation

- Developer (TICD) has options to enter into long-term master leases for Buildings 1, Hangar 2 and 3 on Treasure Island, and the Historic Senior Officers' Quarters on Yerba Buena Island
- Under lease, TICD is responsible for the preservation/improvement of these facilities
- If developer elects not to exercise these options, the responsibilities for the upkeep of these facilities would remain with TIDA

▣ Navy Structures Transferred to TIDA

- Existing chapel, gymnasium, and Pier 1 were transferred to TIDA by the Navy

▣ Other Historic Buildings and Public Spaces

- Torpedo House will be re-roofed and re-glazed as part of the environmental mitigations for the Southgate Road Project
- Bimla Rhinehart Vista Point and land bridge

CAPITAL PROGRAMS:

SFUSD School Site

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- ▣ SFUSD closed the Treasure Island School in 2005
- ▣ DDA calls for the reestablishment of K-5 or K-8 school
 - TICD is to make a School Subsidy payment of \$5,000,000 (escalated) for SFUSD or TIDA to refurbish the existing school on Treasure Island
 - SFUSD/TIDA shall obtain a building permit and commence work to rehabilitate the facilities prior to the issuance of the building permit for the 2,500th Residential Unit (currently projected to occur as early as 2024)
- ▣ Interim Use of Site and Permanent Plan
 - SFUSD approached TIDA about utilizing a portion of the Treasure Island School site and facilities for a Charter School site prior to development of permanent facility
 - SFUSD has initiated programming and funding analysis for a permanent facility

CAPITAL PROGRAMS:

Wastewater Treatment Plant

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- ▣ New Treasure Island Wastewater Treatment Plant will replace the existing facility which is well past its useful life

 - Provide tertiary treatment and wetlands to achieve an average dry weather flow capacity of at least 1.3 million gallons per day (MGD) and peak wet weather flow of 3.9 MGD
 - New facility will produce high quality recycled water for non-potable uses on Treasure Island, including interior dual plumbing and exterior irrigation
- ▣ Approximately \$200 million
- ▣ Advertise RFP: January/February 2021
- ▣ Final Completion and Commissioning: Early 2024

QUESTIONS?