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Treasure Island Development Authority PROGRAM UPDATE

December 2, 2024

AGENDA

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1. Program Update
2. Project Agreement Amendments
3. Certificates of Participation (COPs)

CAPITAL PLAN HIGHLIGHTS:

Treasure Island / Yerba Buena Island

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Total TICD Capital Program = \$2,471 M

Buildout expected to continue through 2042

Major Projects

- 8,000 units on TI and YBI (27.2% affordable)
- Geotechnical improvements
- Sea level rise mitigation and adaptive strategies
- New utilities (electric, water, stormwater, sewer)
- 300 acres of open space improvements (trails, parks, waterfront)
- New ferry facilities
- Building 1 & Hanger 2 renovation

Major Funding Sources

- Private capital
- Community Facilities District; Infrastructure & Revitalization Financing District proceeds
- State and Federal funds

INITIAL SUBPHASES

Treasure Island / Yerba Buena Island

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**STAGE 1:
TREASURE ISLAND
INFRASTRUCTURE**

**STAGE 1:
YERBA BUENA
INFRASTRUCTURE**

PROGRAM UPDATE:

Stage 1 Infrastructure

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New roadways with a complete suite of street and utility infrastructure in initial subphases completed and accepted by the City in March 2024



YERBA BUENA ISLAND: Vertical Development

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- **Yerba Buena Island Residences**
 - 124-unit condominium development completed in 2022
 - 31 flats and townhomes completed in 2024
 - Over 100 additional residences planned



Source: Yerba Buena Island Developer

TREASURE ISLAND: Vertical Development – Affordable Housing

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Complete:

Maceo May Apartments – 105 Units

- Fully leased August 2023

Star View Court – 138 Units

- Fully leased Sep. 2024

In progress:

Behavioral Health Building – 240 Beds

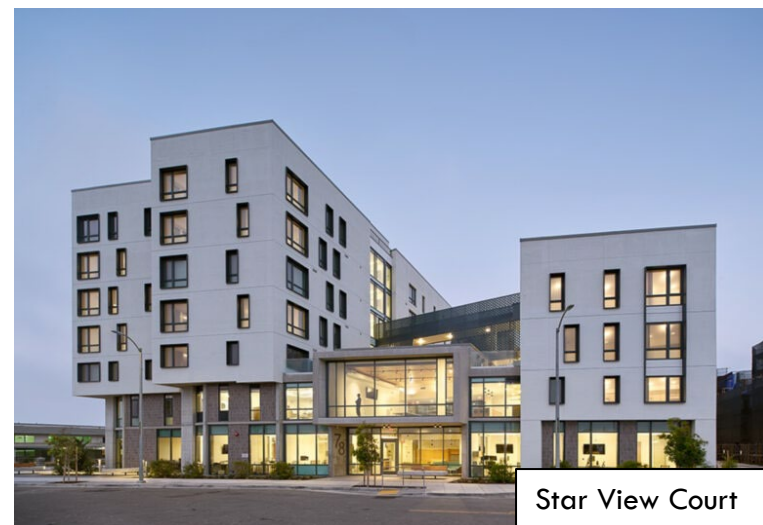
- Construction start expected Q1 2026

Senior Housing – 100 Units

- Construction start expected Q3 2026

Sub-Block IC4.3 – 150 Units

- Construction start expected Q4 2026



TREASURE ISLAND: Ongoing Vertical Development

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Complete / In Progress:

Isle House Apartments – 250 Units

- TCO issued June 2024; Leasing underway

490 Avenue of the Palms – 148 units

- TCO est. Q2 2025

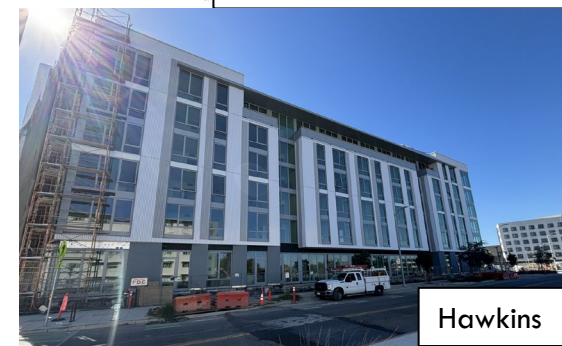
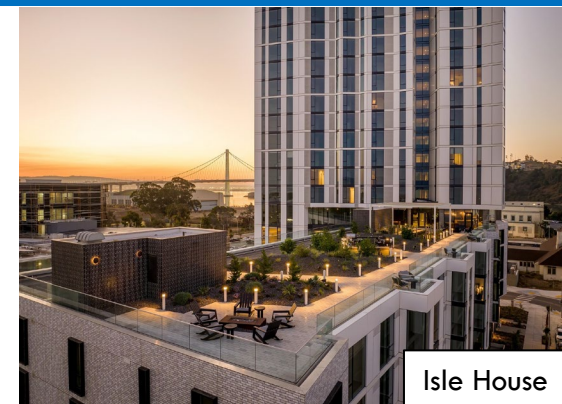
Hawkins Apartments – 178 units

- TCO est. December 2024

Future:

Sub-Blocks B1, C2.1, C2.3, C3.5:

- 625 units with site permit issued or under review



PARKS

Recently Completed & Upcoming

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PUBLIC FINANCING UPDATE

Recent Financing Activity

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Community Facilities District (CFD) – special tax

- City has issued a total of 4 series of bonds for the Treasure Island CFD in a total par amount of \$100,580,000
- CFD Bond proceeds are used to reimburse the master developer (TICD) for infrastructure and development costs

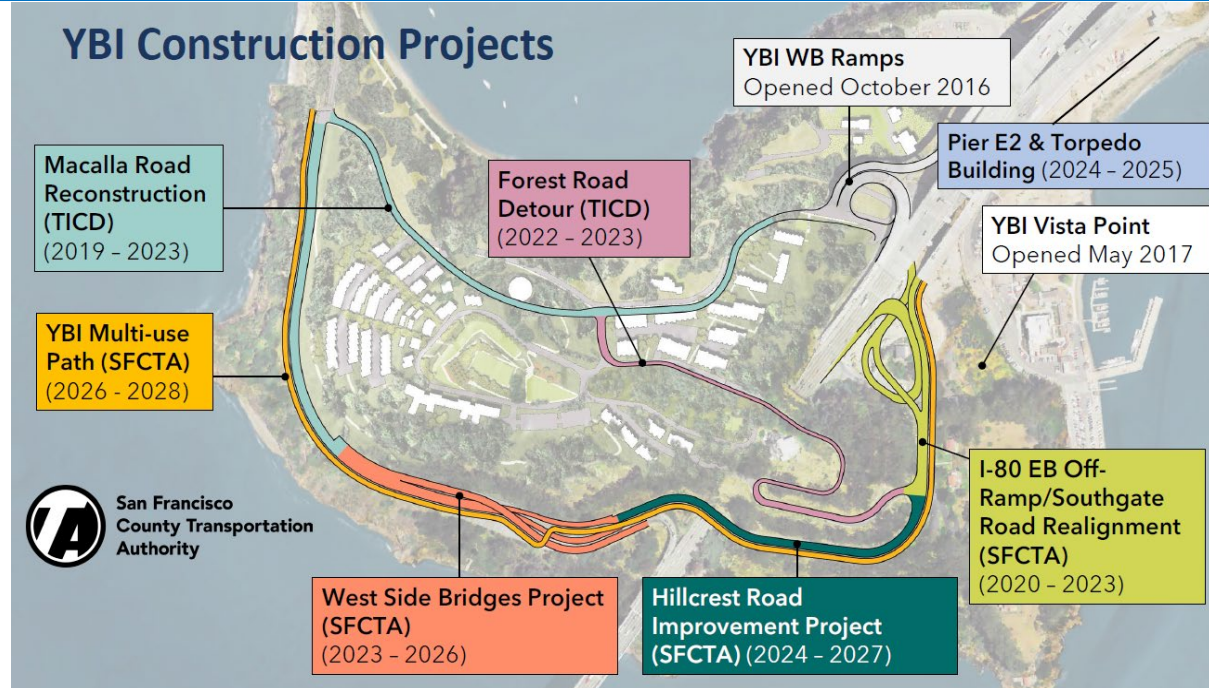
Infrastructure and Revitalization Financing District (IRFD) – tax increment

- City has issued a total of 2 series of bonds for the Treasure Island IRFD in total par amount of \$38,600,000
- 82.5% of IRFD Bond proceeds are used to reimburse the master developer (TICD) for infrastructure and development costs; 17.5% of IRFD Bond proceeds are used to fund affordable housing

CAPITAL PROGRAMS: SFCTA – Bay Bridge Access Improvements

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- I-80 Westbound Ramps and Eastbound Interchange completed
- Westside Bridges and Hillcrest Road under construction
- YBI Multi-Use Path Under Design and Seeking Funding



CAPITAL PROGRAMS:

Transportation Programs (TIMMA Partnership)

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- TIMMA is working to secure funding for initial transportation services, upfront tolling infrastructure, and gap funding to close projected operating deficit in early years
- TIMMA will seek approval of the toll and affordability program in 2025
- Permanent transit improvements and TDM strategies are contingent upon ongoing toll revenues
- Ferry service is subsidized by developer outside of DDA obligations through the end of 2024 after which it will be credited against their transit subsidy obligation



CAPITAL PROGRAMS:

TIDA Assets

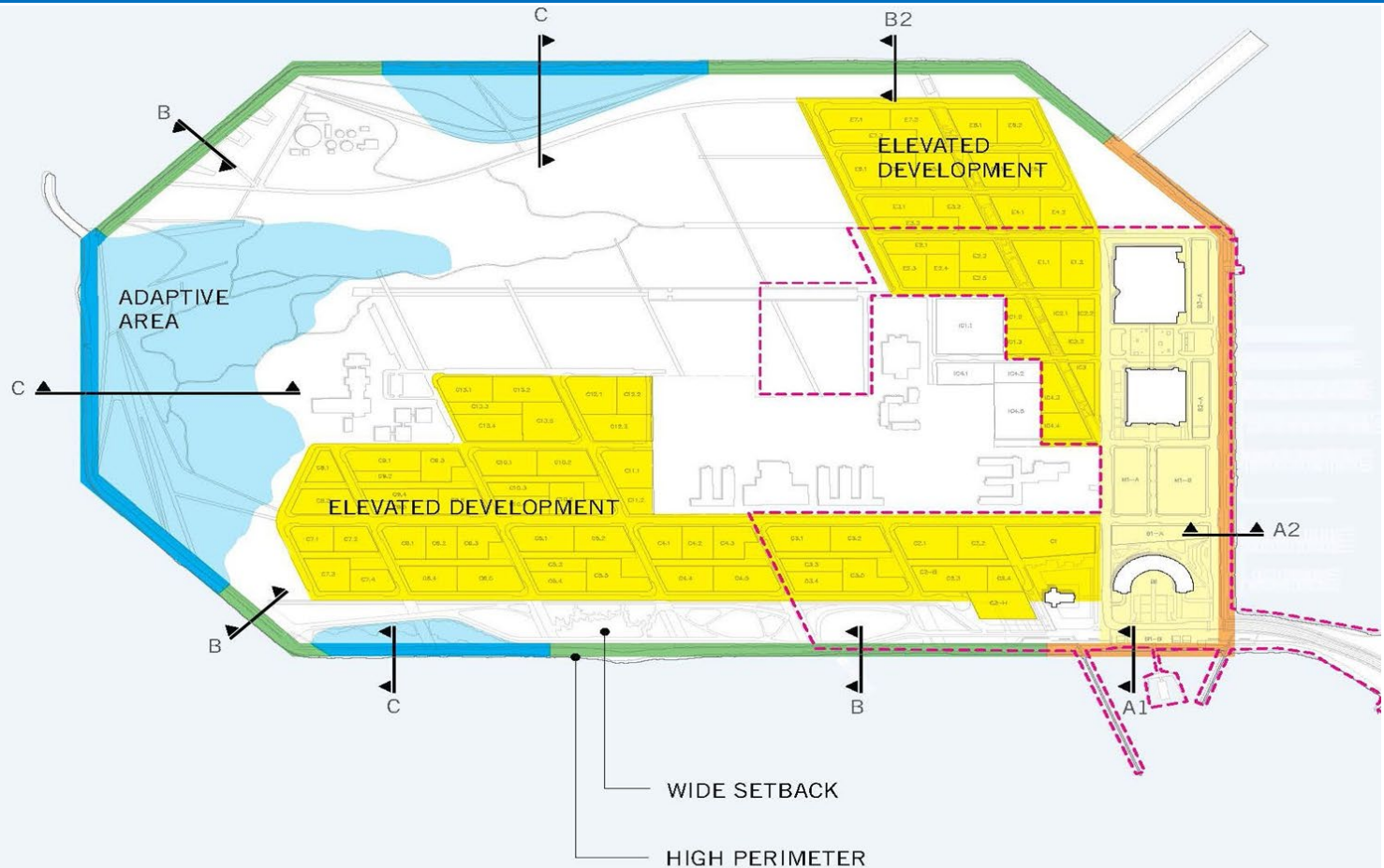
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Adaptive Renewal Needs

- TICD has long-term lease options for Building 1, Hangars 2 and 3, and the Historic Senior Officers' Quarters
 - TICD would be responsible for the preservation & upgrades
- If developer elects not to exercise these options, **preservation & upgrade responsibilities remain with TIDA.**
- TIDA has a large portfolio of other buildings, infrastructure, roads, and public spaces with renewal needs



FUTURE READY: Water: Sea Level Rise



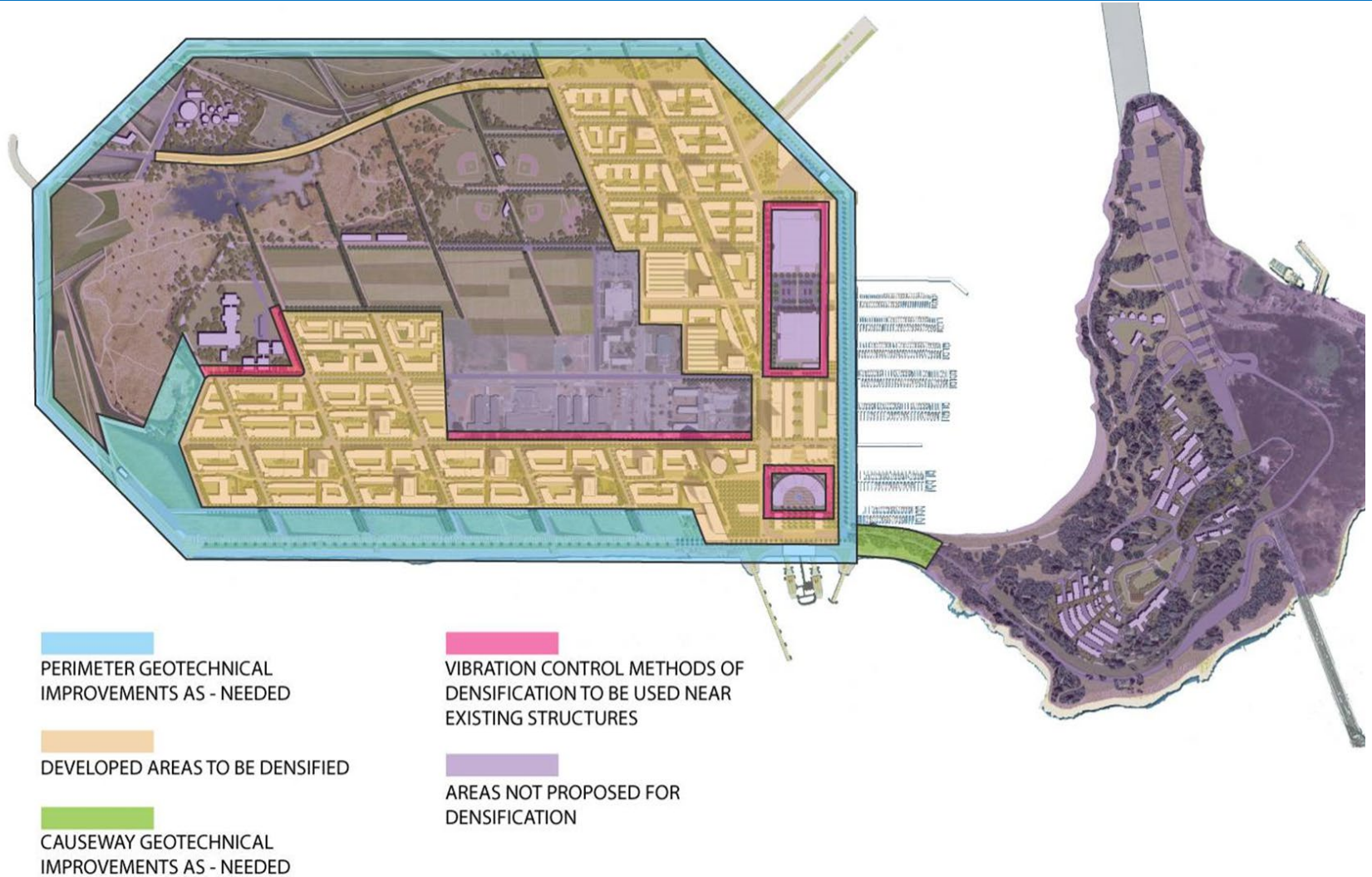
KEY

- Elevated Development Lands
- Island Core (Existing Grades)
- Clipper Cove - Ferry Terminal
- Shoreline Park - Recreational Areas
- Northern Shoreline Park - Wilds - Adaptive Habitat Areas

"Build High, Monitor, and Adapt"

FUTURE READY: Earth: Stable Soils

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EQUITY IN CAPITAL PLANNING: One Treasure Island & TIDA

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TIDA

- Launched partnership with SF Planning for consistency with SFGov Equity Efforts
- Hiring a Senior Community Development Specialist I to add in-house capacity

One Treasure Island

- Strategic partner in addressing equity
- Job Broker and Construction Training Programs
- Partnered with National Institute on Mixed Income Communities to guide community building
- Launched studies for new retail activation spaces, community facilities, and community programs
- Operates Ship Shape Community Center, food pantry, and other services

EQUITY IN CAPITAL PLANNING: TIDA Equity Program Initiatives

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Equity Analysis & Accountability: Develop measurable indicators & regular assessments

Community Engagement: Boost public participation and advocate for historically disadvantaged communities, e.g. "Transition Talks"

Transportation & Accessibility: Address transit gaps impacting low-income residents by supporting congestion pricing and interim solutions

Equitable Community Facilities & Spaces: Plan and activate spaces, like the Island Cove Market and YMCA kitchen

Retail Strategy & Economic Inclusion: Ensure inclusive, community-driven retail

PROJECT AGREEMENT AMENDMENTS:

DDA/DA Financing Plan

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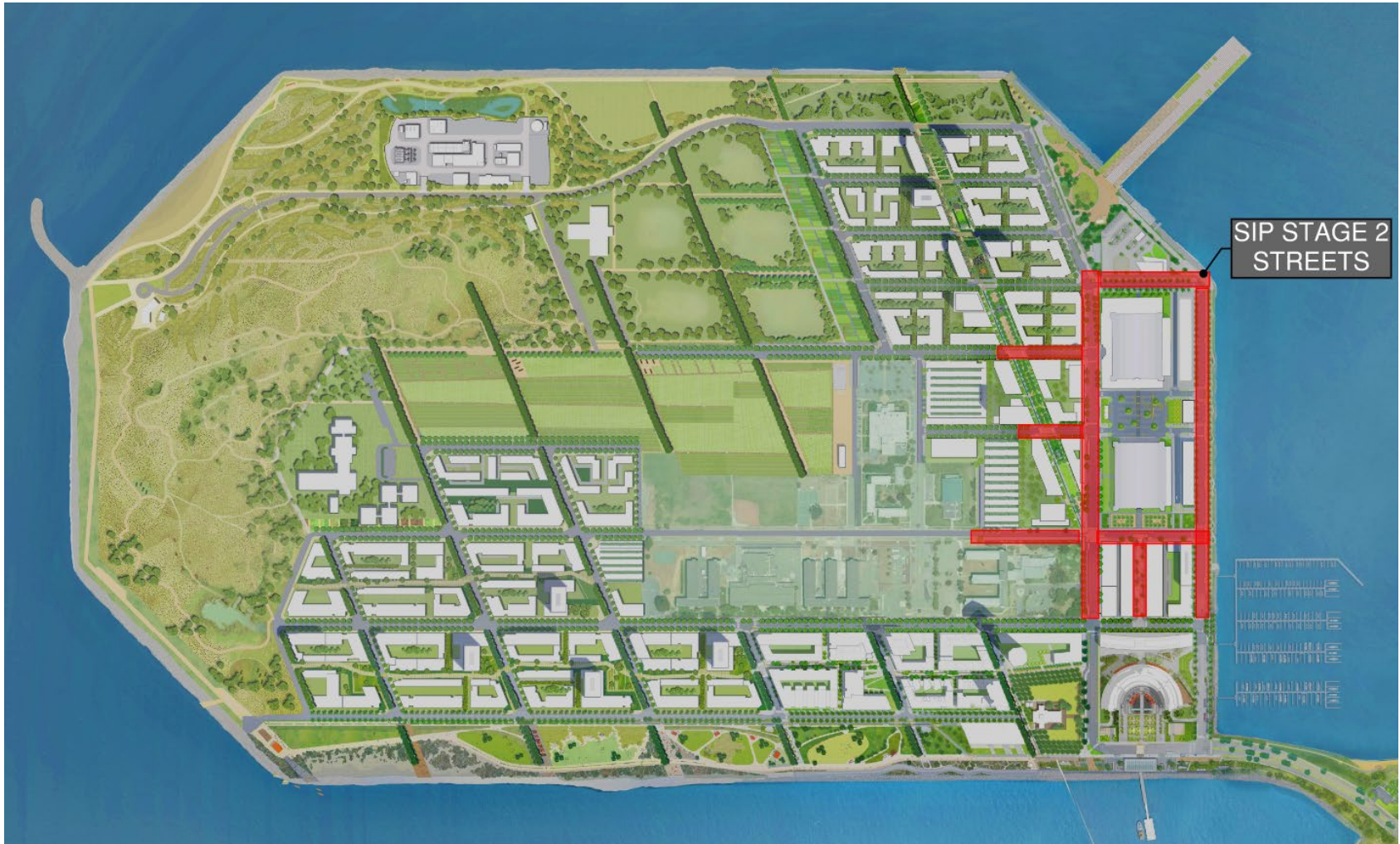
BOS Resolution No. 196-24 (May 2024)

- **Accelerate public financing:** \$115M net proceeds of Certificates of Participation (COPs) will expedite developer reimbursements
 - Issued in three separate issuances (FY 25-27) & appropriated separately by the Board of Supervisors
- **Construction Momentum:** Enables resources from Stage 1 to move into work on Stage 2 in 2025
- **Stage 2 Contribution:** Up to \$550,000/year from residual IRFD property tax increment/CFD special taxes to offset Stage 2 lease payments
- **Debt Authorization:** COPs issuance will be payable from Stage 2 Contribution

PROJECT AGREEMENT AMENDMENTS:

Stage 2 Street Improvements

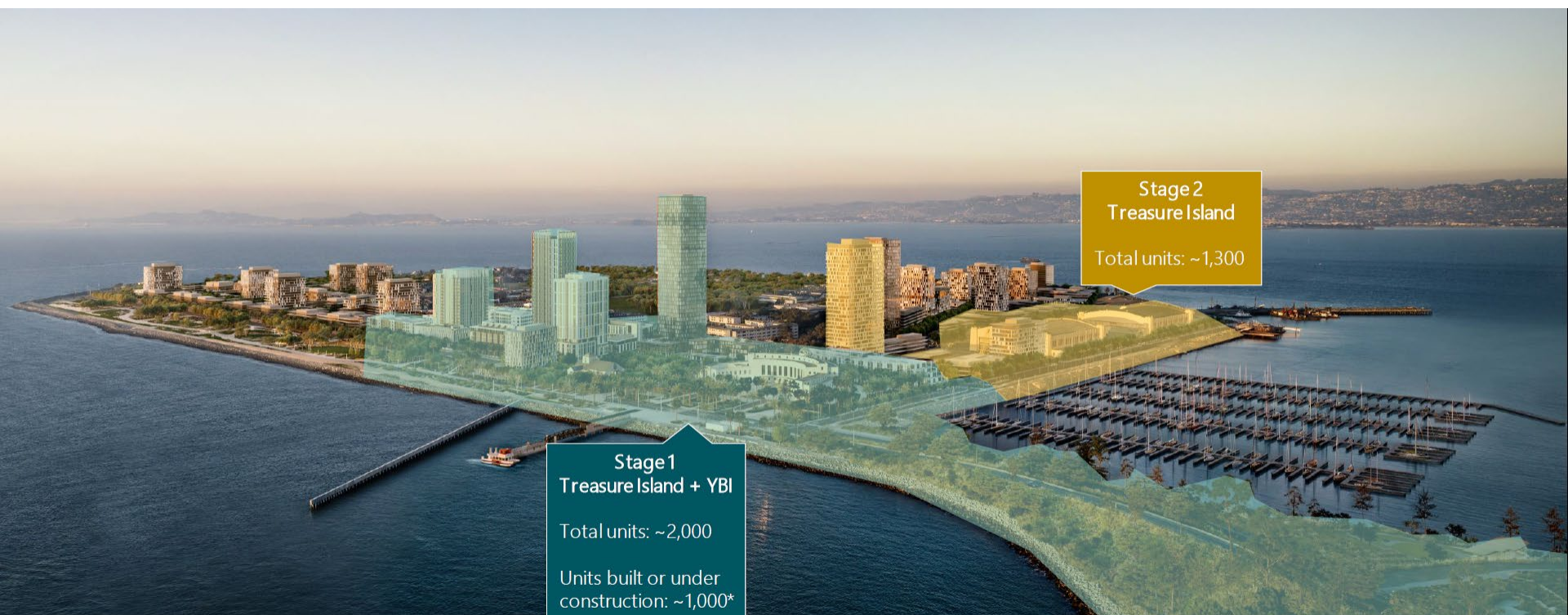
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COMMITTEE ACTIONS

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1. COP Ordinance Authorization
2. Resolution Authorizing Stage 2 Contribution (CFD)
3. Resolution Authorizing Stage 2 Contribution (IRFD)



Stage 2
Treasure Island
Total units: ~1,300

Stage 1
Treasure Island + YBI
Total units: ~2,000
Units built or under construction: ~1,000*

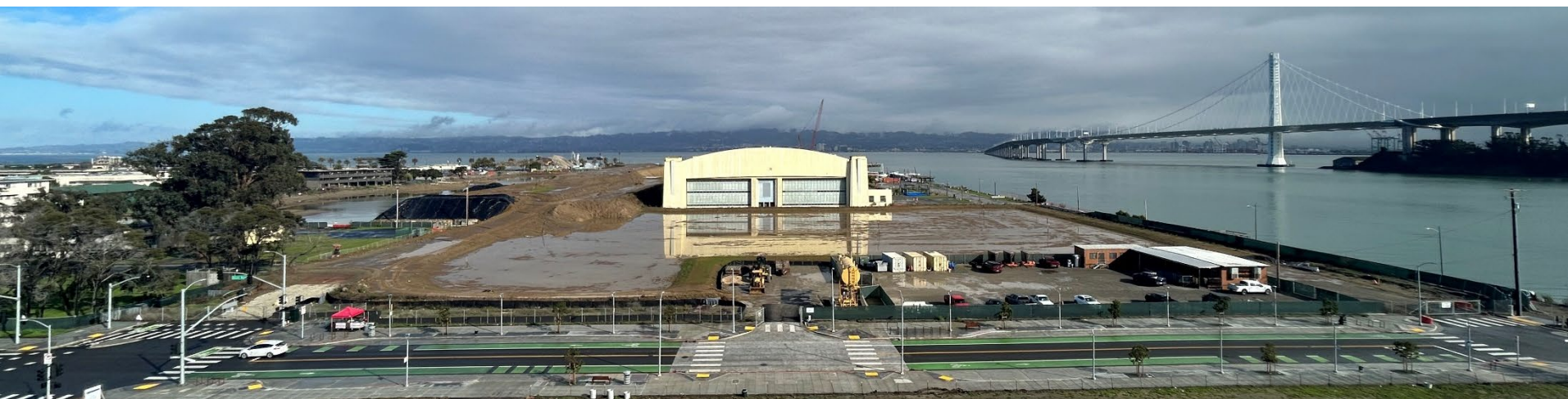
2025 CERTIFICATES OF PARTICIPATION (COPs)

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PROJECT FUND EXPENDITURES FOR FIRST SERIES OF COPS

\$50.0 million – Expected reimbursement of qualified project costs of the developer including:

- 1) Demolition work required to construct public capital improvements
- 2) Geotechnical work required to construct public capital improvements
- 3) Street Improvements



2025 CERTIFICATES OF PARTICIPATION (COPs)

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CURRENT PLAN OF FINANCE

- Not to exceed par amount of \$65M
- Final maturity of April 1, 2045
- True interest cost of 6.34%
- Capitalized interest through end of FY 2025-26
- Average annual debt service of \$5.75M*

LEASE-LEASE BACK STRUCTURE

- COPs are structured as lease-lease back agreement, in which the City leases City-owned property to a Trustee and Trustee sub-leases the property back to the City.
- It is anticipated that the Traffic Company and Forensic Services Division Building located at 1995 Evans Avenue will serve as the leased property.
- Assets can be added or substituted as needed.

SOURCES AND USES

Sources:

COPs Proceeds

Estimated Par Amount	\$62,800,000
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Uses:

Project Funds	\$50,000,000
CSA Audit Fee (0.2% of Project Funds)	\$100,000

Capitalized Interest	\$5,705,756
Debt Service Reserve Fund	\$5,754,249

Delivery Date Expenses

Cost of Issuance	\$800,000*
Underwriter's Discount	\$439,600

Total Uses	\$62,800,000*
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<i>Plus: Reserve for Market Uncertainty</i>	<i>\$2,200,395</i>
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Maximum Not-to-Exceed Par Amount	\$65,000,000
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Source: KNN Public Finance

*The Good Faith Estimate includes a bond rounding amount of \$396 which is incorporated into Cost of Issuance as additional contingency. For purposes of the Supplemental Appropriation, this amount is reflected in the Reserve for Market Uncertainty.

NEXT STEPS

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Milestones

Dates*

- | | |
|--|-------------------|
| • Capital Planning Committee Hearing | December 2, 2024 |
| • Budget and Finance Committee Hearing | December 4, 2024 |
| • Board Considers Approval of Resolutions and the Ordinances (1 st Reading) | December 10, 2024 |
| • Final Board Approval of the Ordinances (2 nd Reading) | December 17, 2024 |
| • Sale and Closing of FY25 COPs | Spring 2025 |

*Please note that dates are estimated unless otherwise noted.

QUESTIONS?