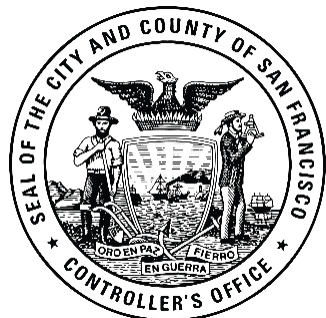


Infrastructure & Revitalization Financing District No. 1 (Treasure Island)

September 29, 2025



City and County of San Francisco
Treasure Island Development Authority &
Controller's Office of Public Finance

Actions for Consideration by Committee

TAX INCREMENT REVENUE BONDS

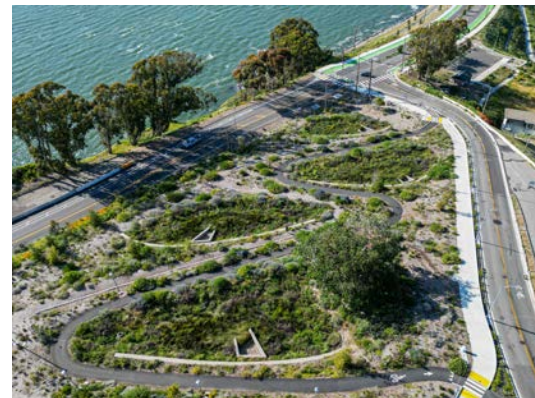
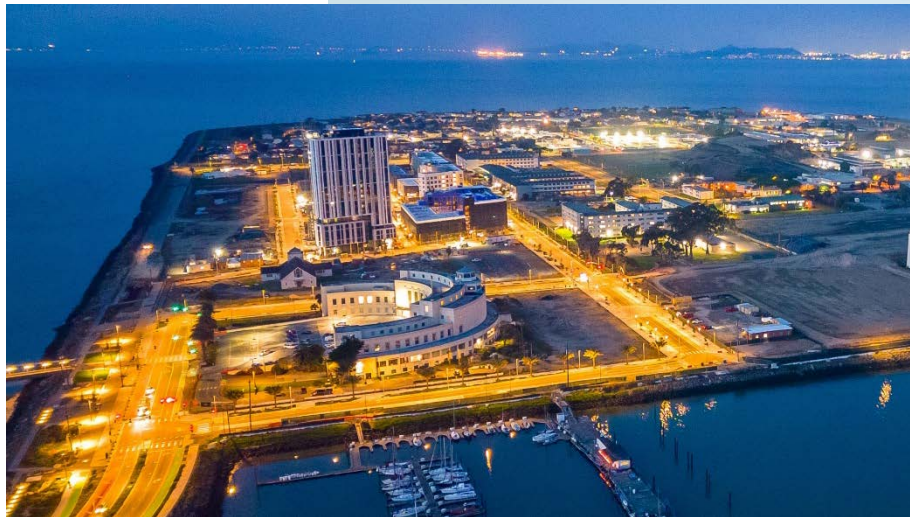
- Resolution Authorizing the Issuance of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds Not to Exceed \$31,000,000

Milestones for Treasure Island Infrastructure Financing

- **June 2011** – Original Disposition and Development Agreement (DDA) and Development Agreement (DA) signed
- **January 2017** – Community Facilities District (CFD) and Infrastructure and Revitalization Financing District (IRFD) formed by Board of Supervisors to facilitate future funding of the Project
- **October 2020** – First CFD bond issuance for Improvement Area No. 1 in the amount of \$17.135 million
- **July 2021** – Second CFD bond issuance for Improvement Area No. 1 in the amount of \$41.340 million
- **January 2022** – First CFD bond issuance for Improvement Area No. 2 in the amount of \$25.13 million; third CFD bond issuance overall for Treasure Island Project
- **September 2022** – First IRFD bond issuance for the Infrastructure and Revitalization Financing District No. 1 in the amount of \$25.39 million
- **December 2023** – Second CFD bond issuance for Improvement Area No. 2 in the amount of \$16.975 million; fourth CFD bond issuance overall for Treasure Island Project
- **December 2023** – Second IRFD bond issuance for the Infrastructure and Revitalization Financing District No. 1 in the amount of \$9.210 million
- **April 2024** – BOS approval of legislation amending the DDA and the DA
- **March 2025** – First Certificates of Participation (COPs) bond issuance for Treasure Island - Stage 2 Infrastructure Projects in the amount of \$46.935 million
- **October 2025** – *Board of Supervisors considers approval of third issuance of Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds (IRFD Bonds) in an amount Not to Exceed \$31 million; third IRFD issuance overall*
- **November/December 2025** – Proposed IRFD Bonds price and close

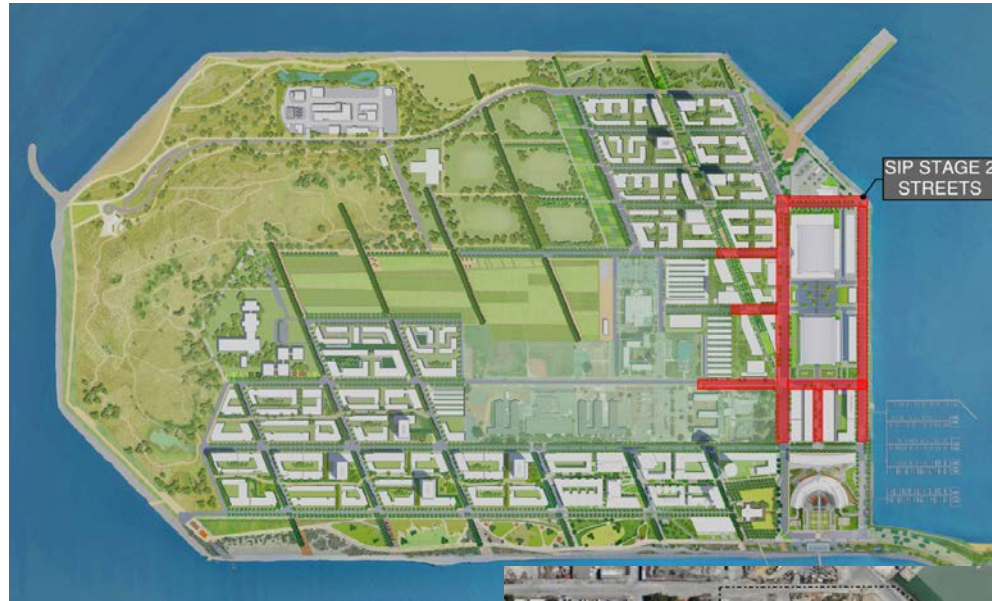
Treasure Island Project Update: Stage 1 Infrastructure

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

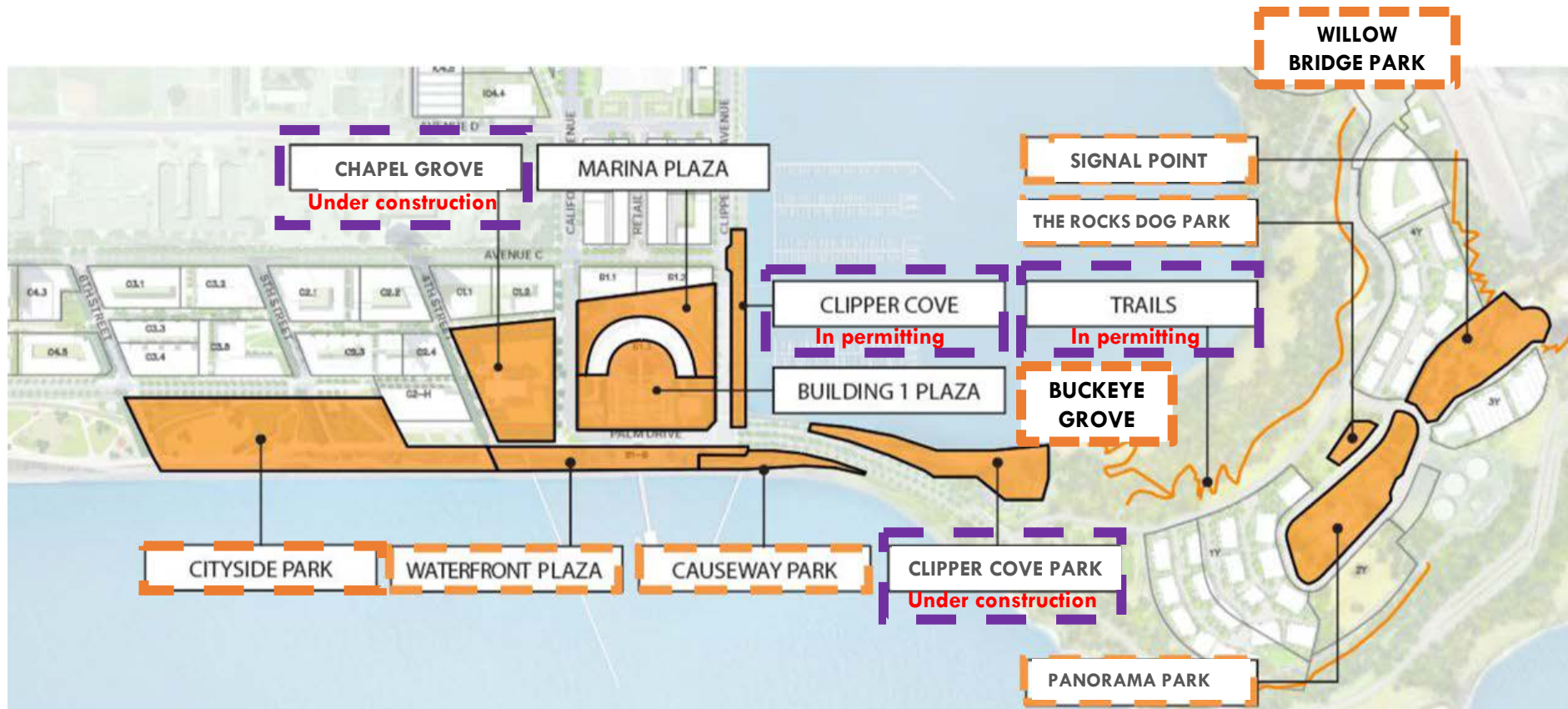


Treasure Island Project Update: Stage 2 Infrastructure

- Stage 2 utilities and building demolition started in 2022, followed by the first phase of geotechnical improvements completed in 2024
- Stage 2 second phase geotechnical work is ongoing and expected to be completed in late 2026
- Stage 2 street improvement infrastructure construction will start in late 2025 and continue through 2028



Treasure Island Project Update: New Parks & Open Space



Parks open as of September 2025



Additional parks opening in FY 2026-27

Treasure Island Project Update: Housing Production



Star View Court



Isle House



YBI Flats

Treasure Island

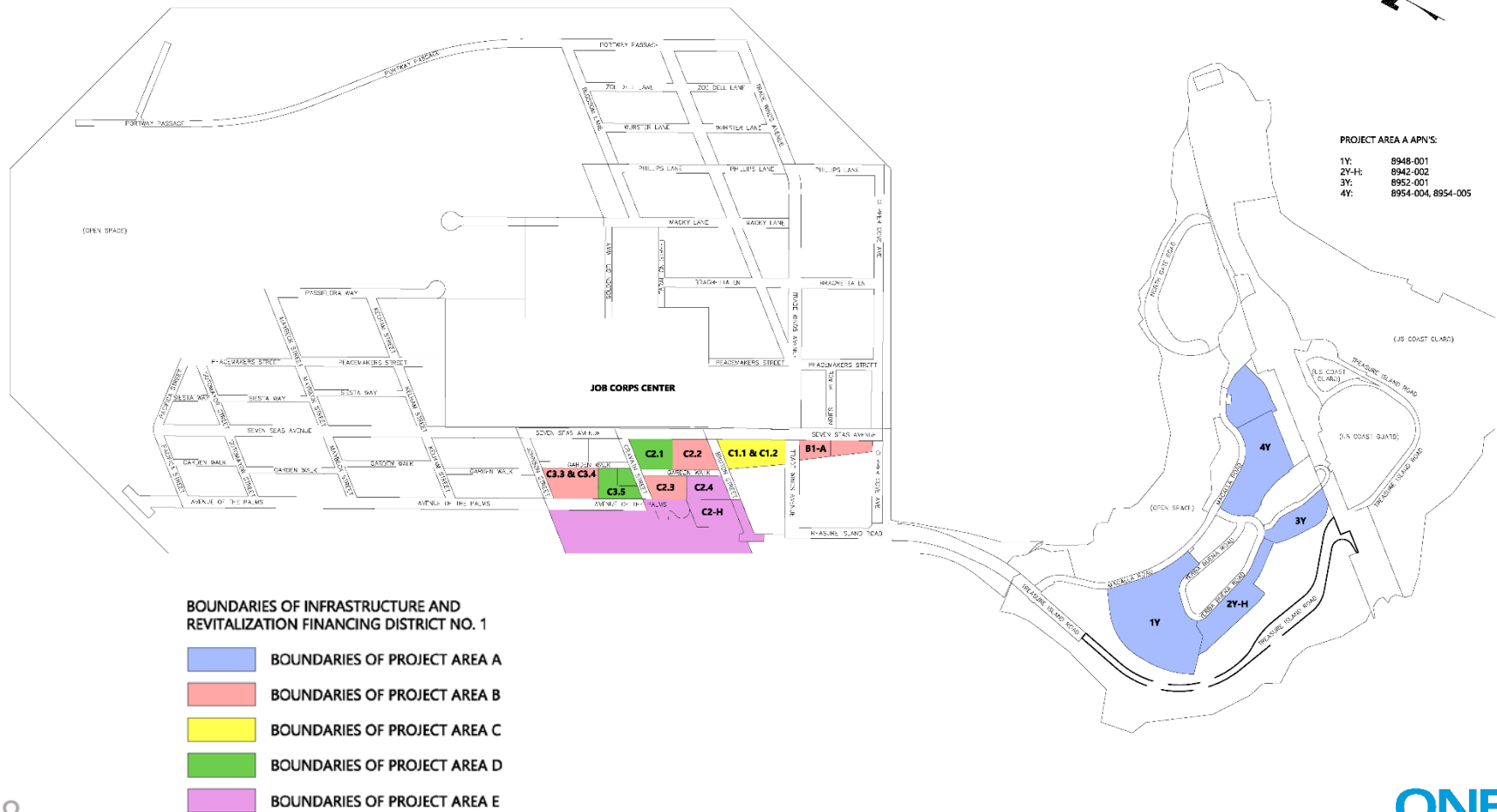
- **Maceo May – 105 units affordable housing; complete & occupied**
- **Star View Court – 138-unit affordable housing; complete & occupied**
- **Isle House – 250 units, completed June 2024; 60% Leased**
- **Hawkins – 178 units, completed December 2024; 37% Leased**
- 490 Avenue of the Palms – 148 units; completion October 2025
- Behavioral Health Building – 240 Beds; construction start April 2026
- Senior Housing – 100 Units; construction start expected Sept. 2026
- Parcel IC4.3 – 150 Units; construction start expected December 2026

Yerba Buena Island

- **The Bristol – 124 units; complete & occupied**
- **Phase I townhomes and flats – 31 units; completed April 2024; Sales Underway**
- Over 100 additional residences planned

Map of Treasure Island IRFD

**PROPOSED BOUNDARIES OF
CITY AND COUNTY OF SAN FRANCISCO
INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO.1
(TREASURE ISLAND PUBLIC INFRASTRUCTURE)**



Treasure Island IRFD: Overview

- City has pledged 64.6% of the 1% of its incremental *ad valorem* property taxes collected on properties within the IRFD (**Pledged Tax Increment** or **PTI**) to the IRFD
- 56.6% of the PTI (**Net Available Increment** or **NTI**) will be split:
 - **82.5% of the NTI** will reimburse eligible developer public infrastructure costs (Pledged Facilities Increment)
 - **17.5% of the NTI** will provide funds for affordable housing (Pledged Housing Increment)
- The City's remaining portion (8.00% of the PTI, **Conditional City Increment**) is pledged to the IRFD to provide additional security for the Bonds
 - Conditional City Increment is released to City General Fund each year if not needed for revenue shortfalls due to declines in assessed value
- **Pledged Tax Increment** represents the total of the Net Available Increment and the Conditional City Increment (i.e. 64.6% of the 1%)

Proposed IRFD Bonds

Use of Proceeds

- Facilities (2025A):
 - Expected reimbursement of certain required geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island completed by TICD to begin horizontal development
 - Expected reimbursement of certain predevelopment costs, permit fees, subsidy payments paid by TICD to TIDA pursuant to the Housing Plan, and for work necessary to complete public parks construction
- Housing Bonds (2025B):
 - Planned source for a grant or forgivable loan for the development of a 100-unit senior affordable multifamily housing project constructed by Mercy Housing California on Treasure Island

Security/Structure

- The Bonds are secured by Pledged Tax Increment as applicable to each of the Facilities Bonds and Housing Bonds
- Annual debt service coverage from Pledged Tax Increment of at least 125%

Proposed IRFD Bonds – Estimated Sources & Uses

EST. FINANCING TERMS

- Final Maturity: Sept. 1, 2055
- Est. True Interest Cost: 5.84%
- Est. Bond Proceeds: \$25M
- Est. Financing Costs: \$931K
- Est. Total Debt Service: \$55M

SOURCES & USES*

	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
<u>Sources:</u>			
Bond Proceeds			
Estimated Par Amount	\$20,975,000	\$4,440,000	\$25,415,000
Original Issue Discount	(253,796)	(69,444)	(323,240)
Total Sources	\$20,721,204	\$4,370,556	\$25,091,760
<u>Uses:</u>			
Project Fund	\$18,627,904	\$3,927,013	\$22,554,917
Debt Service Reserve Fund	1,324,760	280,859	1,605,618
<u>Delivery Date Expenses</u>			
Cost of Issuance	453,915	96,085	550,000
Underwriter's Discount	314,625	66,600	381,225
Total Uses	\$20,721,204	\$4,370,556	\$25,091,760

* Preliminary, subject to market conditions as of August 28, 2025

Source: Stifel, Nicolaus & Co, Inc.

Proposed IRFD Bonds – Risk Factors

- Given taxpayer concentration, the proposed Bonds will be sold without a rating (non-rated)
- Certain risk factors associated with the Bonds are discussed in the “Risk Factors” section of the Preliminary Official Statement (POS)
- Unique real estate risks associated with non-rated tax increment bonds are discussed in the Preliminary Official Statement, including:
 - Potential for reduction in tax base and assessed values
 - Concentration of property ownership
 - Construction not completed for some properties
- Other significant risk factors include seismic risks, sea level rise and flooding
- The Bonds are limited obligations of the IRFD and are secured by and payable solely from the Pledged Tax Increment
 - General Fund resources of the City are not pledged for the repayment of the Bonds, nor is any property or the credit of the City pledged to the repayment of the Bonds

Appendix A: Additional Information

Treasure Island / Yerba Buena Island Highlights

- Total TICD Enhancement Program = \$2.5 Billion
- 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
 - CFD & IRFD proceeds
 - COP proceeds
 - State and Federal funds

Questions?