



Advancing  
Treasure Island

June 2024





The first stage of TI/YBI, with nearly 1,000 homes, is almost complete and a new neighborhood is growing.





There are new parks, world-class public art, ferry service, brand new streets, and affordable housing.



# Housing Production

229 units complete  
762 units under construction, complete by 2025  
~ 1,000 units



## Treasure Island

- Maceo May, 105 units affordable housing, complete & occupied
- Starview Court, 138-unit affordable housing, anticipated June 2024
- Isle House, 250-units, anticipated completion July 2024
- Hawkins, 178-units, anticipated completion late 2024
- 490 Avenue of the Palms, 148-unit under construction, completion Q1 2025

## Yerba Buena Island

- The Bristol, 124 units, complete & occupied
- Phase I townhomes and flats, 31 units, completion April-July 2024

# Reimbursable Public Benefits

## Development Program



Up to 8,000 homes  
(2,173 Affordable)



Up to 500 Hotel Rooms



Up to 450,000sf Retail &  
Historic Reuse



Up to 100,000sf Office

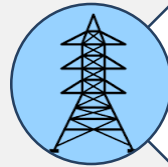
## Public Benefits



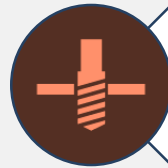
300 acres of open space  
(capital and O&M)



Transit equipment, facilities and  
operating subsidy



New utilities, streets, police & fire  
station, community facilities, and  
other public infrastructure



Geotechnical improvements

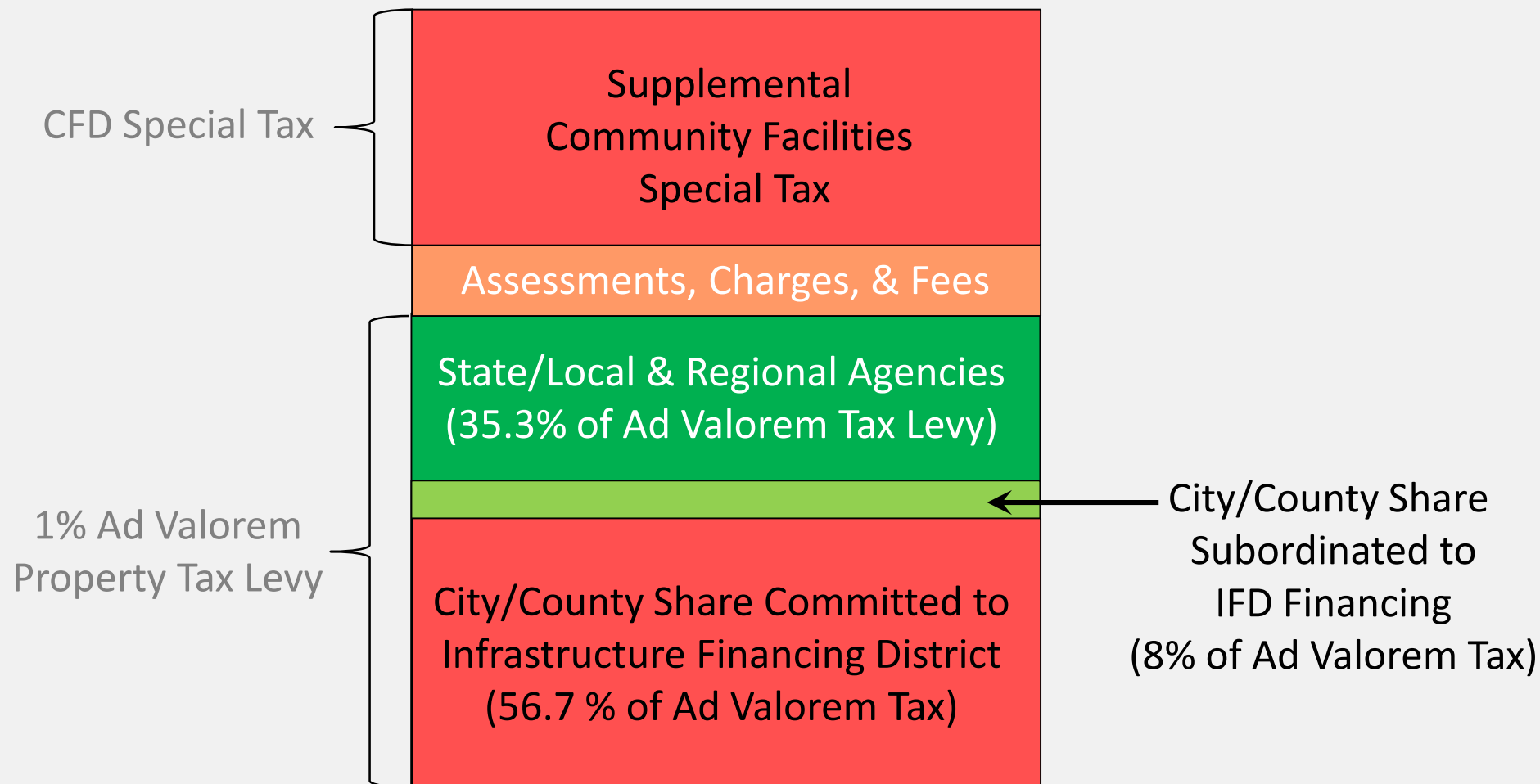


Sea level rise adaptations  
(present & future)

# 2011 Public Financing Commitments

- Generated through an Infrastructure Revitalization and Financing District (IRFD) and Community Facilities District (CFD)
- IRFD leverages property tax increment and CFD assesses a supplemental tax; both can reimburse developer expenses for eligible public improvements
- IRFD proceeds can also be used to finance affordable housing construction
  - 17.5% of proceeds committed to affordable housing
  - Expires after 40 years
- CFD may also fund services
  - Will fund reserve for future sea level rise adaptations
  - Fund parks and open space maintenance in perpetuity

# IRFD and CFD Collections





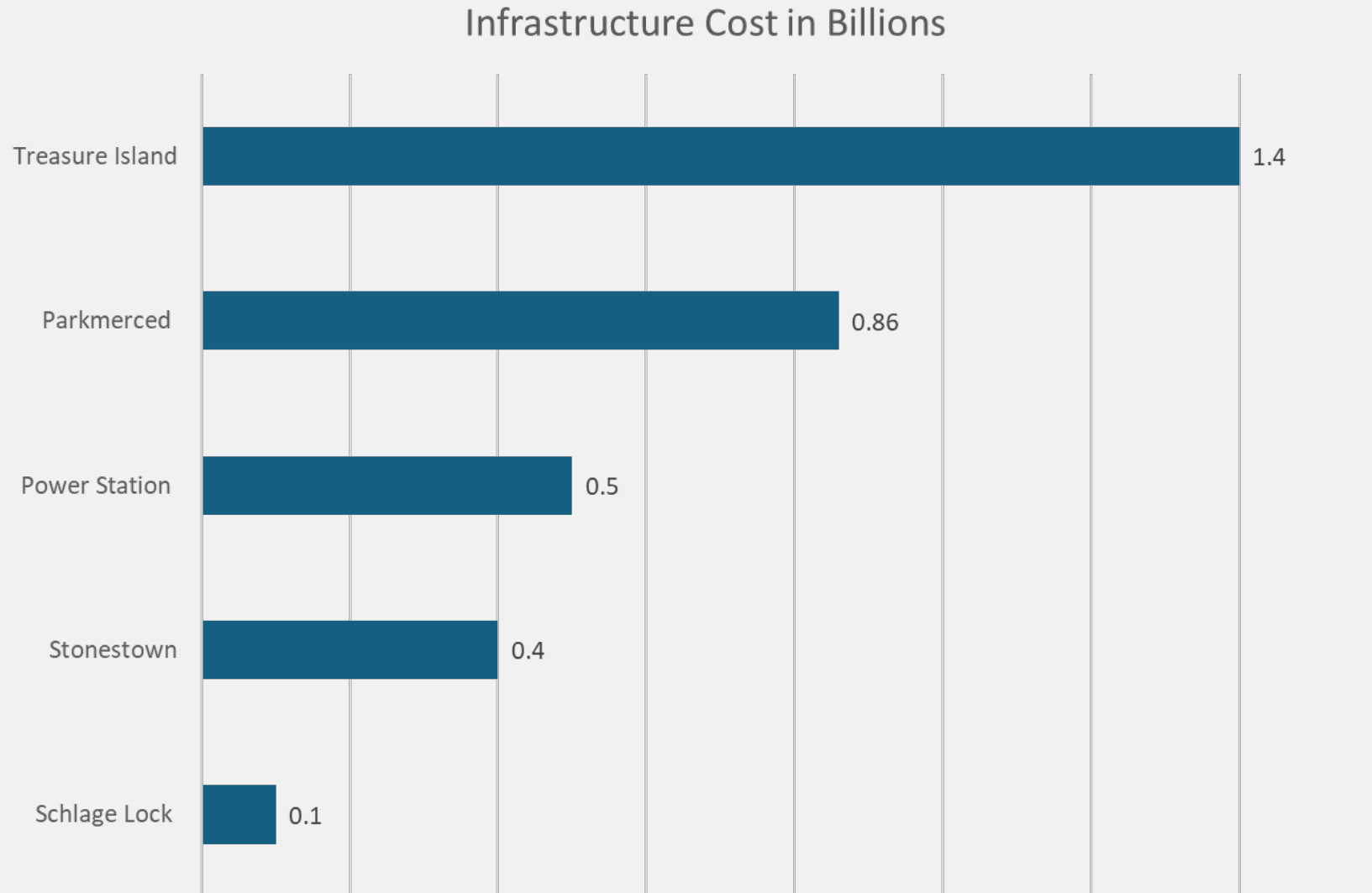
# Project Amendment Objectives

- Accelerate Treasure Island-generated revenues to finance the project through challenging economic period
- Defer costs where possible to improve financial feasibility (w/o change to public benefits)
- Modernize sections/provisions in the DDA that are not comparable to other DAs and do not align with the project's current schedule
- Keep existing affordable housing plan (27.2%)
- Maintain the existing public benefits





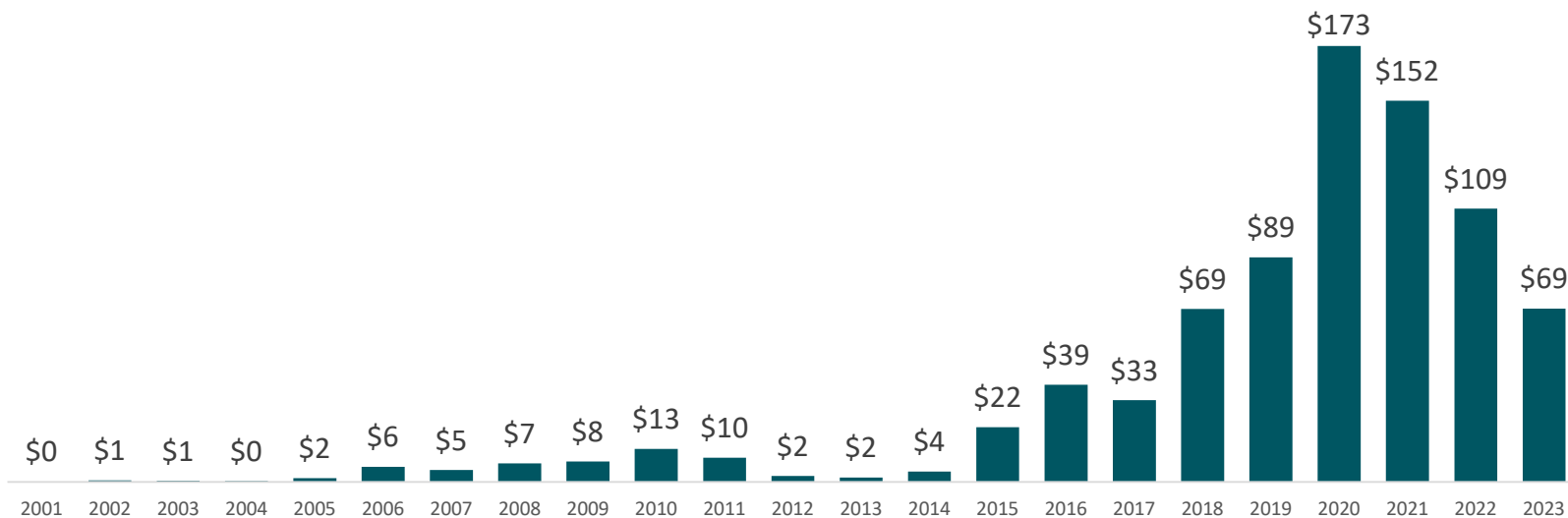
# Large Project Infrastructure Costs





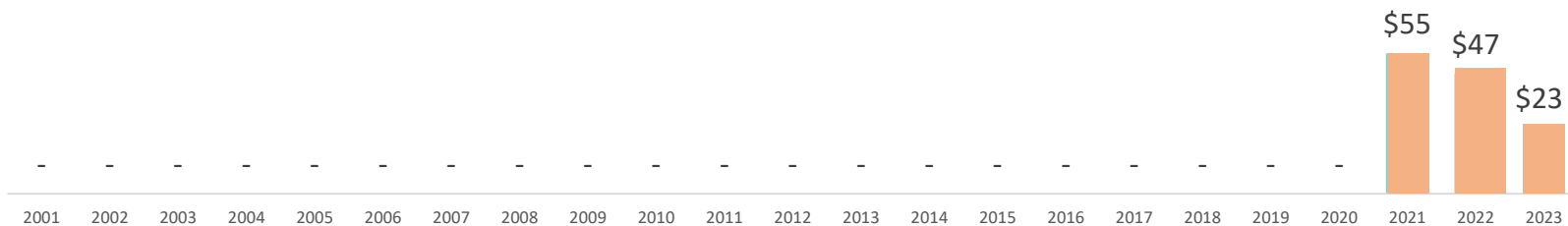
# Infrastructure Investment vs. Reimbursement

Project Costs  
Eligible for Public  
Financing in Millions  
(includes \$50M of  
Financing Costs)



\$814 M  
as of 2023

Municipal Bond  
Proceeds  
In Millions



\$125 M  
as of 2023





**Stage 1**  
**Treasure Island + YBI**

Total units: ~2,000

Units built or under construction: ~1,000

**Stage 2**  
**Treasure Island**

Total units: ~1,300



# Proposed DA/DDA Amendments

## Fiscal Changes

- \$115 million in City-supported capital funds (e.g. Certificates of Participation or "COP") to accelerate funding for Stage 2 infrastructure;
- The total cost of Stage 2 is \$204 million, which the developer must fund upfront. The COP issuances will provide reimbursement for up to \$115 million of public infrastructure;
- Stage 2 costs were intended to be reimbursed by the TI special taxes or tax increment over several years. Instead, Stage 2 costs are being reimbursed by this near-term COP, allowing the project to move forward;
- Bonds would be structured in multiple tranches over the next 3-5 years based on specific development scopes and milestones for Stage 2, and appropriated by the Board of Supervisors in subsequent actions;
- Debt service on bonds would be paid by the City's General Fund;
- TIDA completed a fiscal impact analysis to demonstrate that future tax growth generated by the Treasure Island development will provide sufficient revenues to fund COP payments over time.

# Proposed DA/DDA Amendments

## Risk Mitigation Strategies

- Stage 2 Contribution: Residual property tax increment from the IRFD and residual special taxes from the CFD in the amount of \$550,000 per year will be redirected to offset lease payments paid by the General Fund.
- Required Reinvestment: All developer revenues from land sales and reimbursements from the IRFD/CFD districts must be dedicated to funding Project Costs, including funding for Stage 2, until the Stage 2 infrastructure is complete. This ensures that all developer revenues are being reinvested into completing Stage 2 or reserved for funding future stages.
- Assess Capital Plan Impact: Prior to first issuance of COPs, review impact of TI COP commitment on Citywide COP capacity and Capital Plan
- One-Time Use: The agreement states that this use of COPs is one-time only and will not be authorized for any subsequent development phase or sub-phase.
- Profit Participation: The project's existing profit participation terms between TIDA, the Navy, and the developer will continue to apply through this period.



# Proposed DDA Amendments

## Schedule of Performance and Subsidy Changes

- Delay requirement to build the Police/Fire Station from 2,500 dwelling unit to 4,000 dwelling unit (~2031); Police/Fire departments confirm the need is closer to the 4,000 DU
- Delay requirement to commence building the K-5 SFUSD campus from 2,500 dwelling unit to 4,000 dwelling unit (~2031) and design development reaches 30%
- Delay and reallocate 27 inclusionary units from Stage 2 to future stages on a pro-rata basis
- Build in more flexibility for eligible uses for the Transportation Operating Subsidy and Transit Capital Subsidy
- Reconfirm DDA Subsidies that TICD has fulfilled and/or is still obligated to fulfill
- Remove Section 19.6 in DDA (Payment for Shortfall in Authority Costs), which removes TICD's obligation to serve as the financial back-stop to TIDA if it experiences a budgetary deficit

# Planning Code Amendments



- Figure 6 - TI Bulk and Massing
- Streamlining process for amending D4D
- Provisions for Unforeseen Circumstance or Changing Building Technologies in the Minor Modification process



# Zoning (Height) Map Amendments

- Add 5' height to 40', 60' and 70' height limits
- Clean up clerical error of a designation of a Special Height District to 2 easements
- Other updates to figures to ensure the D4D Height map and the Zoning map are consistent

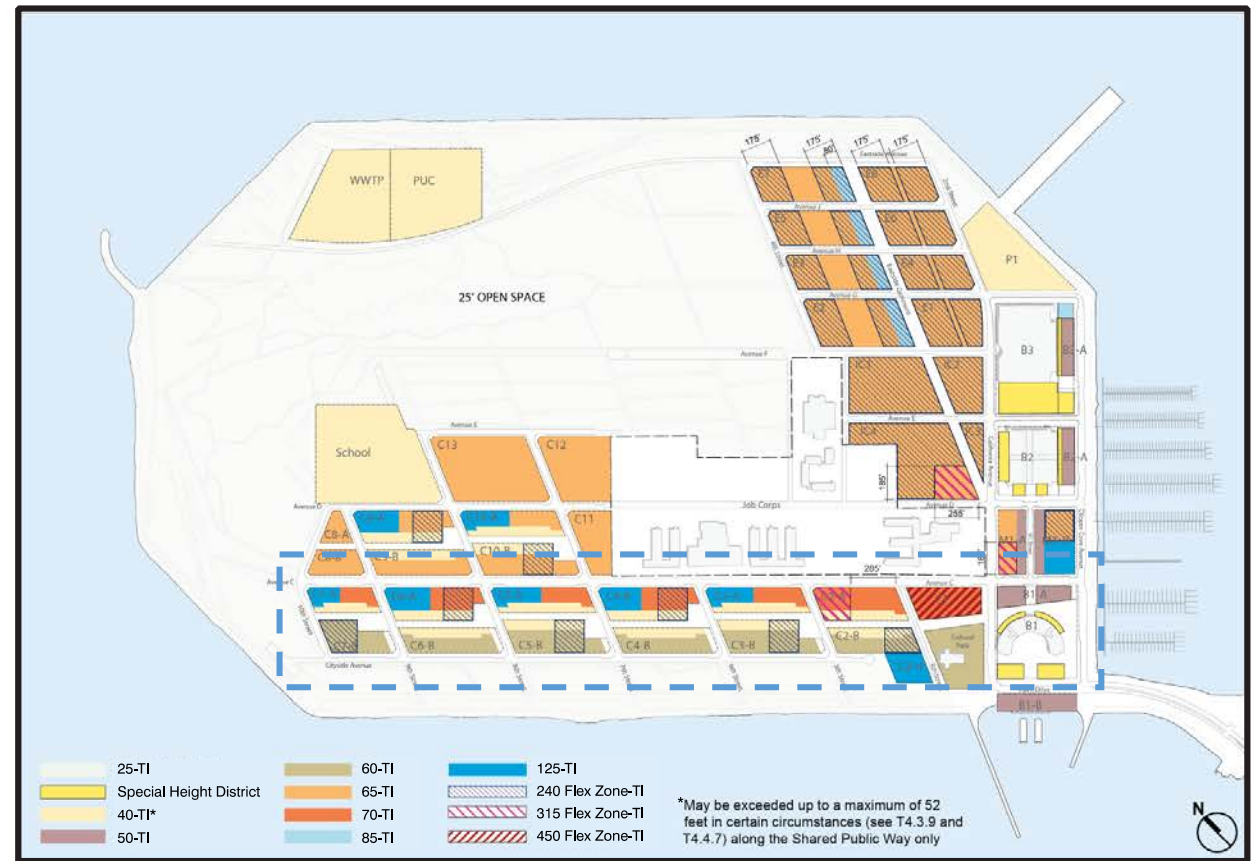


Figure T4.p. Maximum Height Plan



# Amendments Timeline

- April 30<sup>th</sup> – Board of Supervisors approved Amendments on second reading
- Fall 2024 – Board of Supervisors consider bond authorization for Stage 2 infrastructure
- Late 2024/early 2025 – Stage 2 infrastructure commences

Thank You