

File No. 250946

Committee Item No. 7

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date October 22, 2025

Board of Supervisors Meeting Date November 4, 2025

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Completed by: Brent Jalipa Date October 16, 2025

Completed by: Brent Jalipa Date October 23, 2025

1 [Appropriation - Treasure Island Infrastructure and Revitalization Financing District Tax
2 Increment Revenue Bond Proceeds and Bond Proceed Interest Earnings - MOHCD -
3 \$5,769,288 - FY2025-2026]

4 **Ordinance appropriating \$5,769,288 consisting of \$5,500,000 from the issuance of**
5 **Treasure Island Infrastructure and Revitalization Financing District (IRFD) No. 1**
6 **Tax Increment Revenue Bonds and \$269,288 accumulated interest earnings from**
7 **the Series 2022B and Series 2023B Treasure Island IRFD Bond to fund affordable**
8 **housing projects to the Mayor's Office of Housing and Community Development**
9 **(MOHCD), and placing these funds on Controller's Reserve pending the sale of**
10 **the Tax Increment Revenue Bonds and receipt of proceeds in Fiscal Year (FY)**
11 **2025-2026.**

12
13 Note: Additions are single-underline italics Times New Roman;
14 deletions are ~~strikethrough italics Times New Roman~~.
15 Board amendment additions are double underlined.
16 Board amendment deletions are ~~strikethrough normal~~.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. The sources of funding outlined below are herein appropriated to
19 reflect the funding available in Fiscal Year 2025-2026.
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22
23
24
25

SOURCES Appropriation

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
10585 SR Treasure	10042700-0001 Treasure Isl	493068	TI Increment	\$5,500,000
Island IRFD 2025B /	IRFD 2025B House Housing		Tax Bond	
232065 MYR Housing	Proceeds Pool / 23152 Treasure		2025B Housing	
& Community Dev	Isl IRFD 2025B House		Project	
10583 SR Treasure	10039542-0001 Treasure Isl	493068	TI Increment	\$163,849
Island IRFD 2022B /	IRFD 2022B House Housing		Tax Bond	
232065 MYR Housing	Proceeds Pool / 22338 Treasure		2022B Interest	
& Community Dev	Isl IRFD 2022B House		Earnings	
10584 SR Treasure	10040481-0001 Treasure Isl	493068	TI Increment	\$105,439
Island IRFD 2023B /	IRFD 2023B House Housing		Tax Bond	
232065 MYR Housing	Proceeds Pool / 22608 Treasure		2023B Interest	
& Community Dev	Isl IRFD 2023B House		Earnings	
Total SOURCES Appropriation				\$5,769,288

Section 2. The uses of funding outlined below are herein appropriated to reflect the projected uses of funding and placing the entire appropriation on Controller's Reserve pending receipt of proceeds in Fiscal Year 2025-2026.

USES Appropriation

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
10585 - SR Treasure	10042700-0001 Treasure Isl	539200	TI IRFD	\$5,500,000
Island IRFD 2025B/	IRFD 2025B House Housing			
232065 - MYR Housing	Proceeds Pool/ 23152 Treasure			
& Community Dev	Isl IRFD 2025B House			
10583 - SR Treasure	10039542-0001 Treasure Isl	539200	TI IRFD	\$163,849
Island IRFD 2022B/	IRFD 2022B House Housing			
232065 - MYR Housing	Proceeds Pool/ 22338 Treasure			
& Community Dev	Isl IRFD 2022B House			
10584 - SR Treasure	10040481-0001 Treasure Isl	539200	TI IRFD	\$105,439
Island IRFD 2023B/	IRFD 2023B House Housing			
232065 - MYR Housing	Proceeds Pool/ 22608 Treasure			
& Community Dev	Isl IRFD 2023B House			
Total USES Appropriation				\$5,769,288

Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles and other laws.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

FUNDS AVAILABLE:
GREG WAGNER, Controller

By: /s/
BRADLEY RUSSI
Deputy City Attorney

By: /s/
GREG WAGNER
Controller

Items 7 & 8 Files 25-0946, 25-0948	Department: Controller's Office of Public Finance
EXECUTIVE SUMMARY	
Legislative Objectives • File 25-0946: The proposed ordinance would appropriate a total of \$5,769,288 to the Mayor's Office of Housing and Community Development (MOHCD) for affordable housing and place the amount on Controller's Reserve until the bonds are issued. • File 25-0948: The proposed resolution would authorize the issuance of Treasure Island Tax Increment Revenue Bonds in an amount not to exceed \$31 million and approve related documents and amendments to existing documents, including a preliminary Official Statement, two supplements to the Indentures of Trust, two Bond Purchase Agreements, two Continuing Disclosure Certificates, and a Subordinate Pledge Agreement. Key Points • The Treasure Island/Yerba Buena Development Project includes up to 8,000 residential units, including 2,173 affordable units, as well as retail and commercial space, up to 500 hotel rooms, and 300 acres of public open space. To date, the Project has completed Stage 1 infrastructure improvements on Yerba Buena Island and Treasure Island, which include approximately 15 acres of new public parks, street network and roadway improvements, utilities, two public art installations, new water storage facilities, and a new ferry terminal. In addition, 974 residential units, which include 677 market rate and 297 affordable units, have been completed. The developer has expended approximately \$890 million as of August 31, 2025. • Proceeds from the proposed bonds will be used to reimburse eligible project costs, including demolition, abatement and geotechnical work, predevelopment costs, public park construction, and a proposed 100-unit senior affordable multifamily housing development. Fiscal Impact • The proposed bonds are anticipated to generate \$25.1 million in proceeds, have a 30-year term and an estimated true interest cost of 5.84 based on market conditions as of August 28, 2025. Total debt service is expected to be \$55.1 million or approximately \$1.9 million on average, per year. Bond debt service will be paid from incremental increases to property tax revenues on Treasure Island. • The proposed appropriation ordinance would appropriate \$5.5 million of bond proceeds from the Series 2025B Housing Bonds and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Housing Bonds for MOHCD to finance a senior affordable multifamily housing development. The remaining portion of the proposed bond proceeds do not require an appropriation. Recommendation • Approve the proposed resolution.	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) any modification of such contracts of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND**Treasures Island/Yerba Buena Development Project**

The Treasure Island/Yerba Buena Development Project (Project) is part of the Treasure Island Development Authority's (TIDA) ongoing project to transition Treasure Island and a portion of Yerba Buena Island from a former military base to a residential and commercial development. In 2011, the Board of Supervisors approved the Development Agreement between the City and Treasure Island Community Development, LLC (TICD), the master developer for the Treasure Island development project, and the Disposition and Development Agreement (DDA) between TIDA and TICD (Files 11-0226, 11-0291, 24-0198, & 24-0202). The Project is anticipated to include up to 8,000 residential units, including 2,173 affordable units (27.2 percent), as well as retail and commercial space, up to 500 hotel rooms, and 300 acres of public open space.

The Project is phased over eight stages for a total estimated budget of approximately \$2.56 billion. Under the DDA's Financing Plan, public infrastructure costs are paid for by the developer and then reimbursed over time by long-term public financing support by growth in property tax increment (through an Infrastructure and Revitalization Financing District), special tax revenues (through a Community Facilities District), and up to \$115 million in Certificates of Participation. According to TIDA, the developer has expended approximately \$890 million as of August 31, 2025.

Financing Plan

The Financing Plan obligates the City to provide funding for certain public improvements through: (a) the issuance of special tax bonds¹ issued by one or more community facilities districts (CFDs);

¹ The 1982 Mello-Roos Community Facilities Act allows for the formation of CFDs to fund public infrastructure improvements by levying special taxes on taxable property within a CFD. In 2017, the Board of Supervisors approved resolutions forming Community Facilities District No. 2016-1 on Treasure Island, authorizing up to \$5 billion of CFD bonds, and a \$250 million issuance of special tax bonds (Files 16-1122, 16-1123, and 16-1127). Subsequently, up to \$73.76 million in special tax bonds were authorized at the annexation of Improvement Area No. 2 (Files 20-0977, 21-1046, 21-1054, 21-1166) and up to \$731.4 million in special tax bonds were authorized at the annexation of Improvement Area No. 3.

(b) tax increment revenue bonds² issued by the Treasure Island Infrastructure and Revitalization Financing District (IRFD), and Certificates of Participation issued by the City. To date, the Board of Supervisors has approved four issuances of special tax bonds (Files 20-0978, 21-0508, 21-1054, and 23-1166), and the City has issued a total of \$100.6 million on behalf of the CFD across the four issuances. The Board of Supervisors has also approved two issuances of tax increment revenue bonds (Files 22-0294 and 23-1131), and the IRFD has issued a total of \$38.6 million to finance facilities and affordable housing which includes the following:

- Series 2022A Facilities Bonds: \$24,270,000
- Series 2022B Housing Bonds: \$5,120,000
- Series 2023A Facilities Bonds: \$7,615,000
- Series 2023B Housing Bonds: \$1,595,000

As previously mentioned, the Amended and Restated Disposition and Development Agreement (DDA) amended the Financing Plan, to provide \$115 million of project fund proceeds from the issuance of General Fund Certificates of Participation (COPs). In December 2024, the Board of Supervisors approved \$65 million of COPs as the first tranche of Stage 2 Alternative Financing (File 24-1085). According to TIDA, the City issued the first tranche of COPs (which funded \$50 million of the Project) in March 2025. The City anticipates issuing the second tranche of COPs to fund \$50 million of projects in FY 2026-27 and the third tranche to fund \$15 million of projects in FY 2027-28.³

The Controller's Office of Public Finance (OPF) is proposing an additional issuance of up to \$31 million in tax increment revenue bonds to finance the Project (as discussed below).

Infrastructure and Revitalization Financing District

The Treasure Island IRFD includes five project areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D, and E), which represent the Project's initial phases of development. The five project areas included in the IRFD are shown in Appendix A.

The IRFD Financing Plan stipulates how incremental property tax revenue generated by project areas within the IRFD will be used to reimburse eligible project costs, including public facilities (such as roads, sidewalks, parks, and shoreline improvements) and affordable housing. Each project area within the IRFD can have a different start date and extend for 40 years from the start date. Each project area can generate property tax increment and issue debt against the property tax increment at different times for the benefit of the entire development area. Project Area A

² State Infrastructure and Revitalization Financing District (IRFD) law allows for a portion of property tax revenues to be allocated to IRFDs to pay for public improvements. In 2017, the Board of Supervisors approved the formation of the Treasure Island IRFD No. 1, adopted the Infrastructure Financing Plan, and authorized the issuance of up to \$780 million in tax increment bonds to finance eligible project costs (Files 16-1120 and 16-1121). Each bond issuance (of the \$780 million total authorized) is subject to Board of Supervisors' approval of the terms of sale and related documents. In February 2022, the Board of Supervisors approved the addition of territory to the IRFD and amendments to the Infrastructure Financing Plan (File 21-1196).

³ Under the Amended DDA and amended Financing Plan, the first debt service payment for the COPs is not payable until FY 2027-28. The first principal and interest payment are due on April 1, 2027.

began generating tax increment for the IRFD in FY 2019-20, and Project Areas B and E began generating tax increment in FY 2022-23 according to the September 9, 2025 OPF memo to the Board of Supervisors. The City's ability to issue tax increment debt is constrained by the amount of property tax available within the IRFD, which itself is a function of the development timeline.⁴

The City's share of the 1.0 percent property tax rate is approximately 0.646 percent. According to the Infrastructure Financing Plan, approximately 0.566 percent is pledged as "Net Available Increment" to pay for IRFD improvements and debt service and the remaining 0.08 percent is pledged as "Conditional City Increment" that will accrue to the City's General Fund if not required for the repayment of bonds. According to the Infrastructure Financing Plan, 82.5 percent of the net available increment allocated to the IRFD will be used to finance facilities and 17.5 percent will be dedicated to TIDA to finance affordable housing.

Project Status

To date, the Project has completed Stage 1 infrastructure improvements on Yerba Buena Island and Treasure Island, which include approximately 15 acres of new public parks, street network and roadway improvements, utilities, two public art installations, new water storage facilities, and a new ferry terminal. In addition, 974 residential units, which include 677 market rate and 297 affordable units, have been completed. According to TIDA, Stage 2 is underway and includes new street improvements, utilities and infrastructure, development of up to 1,300 market rate and affordable housing units, shoreline infrastructure improvements, and approximately 12 acres of new parks and open space.

DETAILS OF PROPOSED LEGISLATION

File 25-0948: The proposed resolution would authorize the issuance of Treasure Island Tax Increment Revenue Bonds in an amount not to exceed \$31 million and approve related documents and amendments to existing documents, including a preliminary Official Statement, two supplements to the Indentures of Trust, two Bond Purchase Agreements, two Continuing Disclosure Certificates, and a Subordinate Pledge Agreement.

File 25-0946: The proposed ordinance would appropriate a total of \$5,769,288 (consisting of \$5.5 million from the issuance of Treasure Island Infrastructure and Revitalization Financing District Series 2025B Tax Increment Revenue Bonds and \$269,288 accumulated interest from the issuance of Treasure Island Infrastructure and Revitalization Financing District Series 2022B and 2023B Tax Increment Revenue Bonds) to the Mayor's Office of Housing and Community

⁴ According to TIDA, based on tax roll data and recommendations in the Fiscal Consultant report on Assessed Value projections, the proposed bond issuance is currently the highest amount of debt that can be issued from the IRFD. OPF states that the total amount of debt issuance is limited by the available tax increment revenues for IRFD bonds, which is based on the required debt service coverage ratio. Capacity to issue additional bonds is expected to grow in future years as revenues increase due to additional development coming online and expanding the total bonding capacity.

Development (MOHCD) for affordable housing and place the amount on Controller's Reserve until the bonds are issued.

Treasure Island Tax Increment Revenue Bonds Series 2025A and 2025B

The bonds would be sold as separate series for facilities (2025A Facilities Bonds) and housing (2025B Housing Bonds). It is anticipated that both bond series will be issued on a tax-exempt basis. The housing project that is proposed to be financed by the Housing Bonds is located on Treasure Island and will be developed by Mercy Housing California (as further discussed below).

Bond Purchase Agreements

The IRFD intends to issue the proposed bonds in a negotiated sale. The City's Municipal Advisor recommended this approach given that the bonds will be sold as non-rated. The approach is consistent with the City's Debt Policy, which allows for negotiated bond sales when the transaction involves a public/private partnership.

The terms of sale of the bonds are documented in two Bond Purchase Agreements, one for the 2025A Facilities Bonds and one for the 2025B Housing Bonds. The IRFD would first sell the bonds to the California Statewide Communities Development Authority (CSCDA). This is a third-party statewide joint powers authority⁵, of which the City is a member. CSCDA would then sell the bonds to the underwriter. The Bond Purchase Agreements are between the IRFD, the CSCDA, and Stifel, Nicolaus & Company, Incorporated, the underwriter for the proposed bonds. According to the Office of Public Finance, the underwriter was selected from the Controller's Office pool of qualified underwriters, which was established through a competitive process in May 2023.⁶

According to the Office of Public Finance and the City's Municipal Advisor, because of the unique real estate-related risks associated with this financing, including concentration of property ownership on Treasure Island and uncertainties in development timeline, the bonds would not receive an investment grade rating and will be sold as non-rated.

Second Supplements to Indentures of Trust

The proposed 2025A Facilities Bonds would be secured on a parity basis⁷ with the 2022A Facilities Bonds and 2023A Facilities Bonds, and the 2025B Housing Bonds would be secured on a parity basis with the 2022B Housing Bonds and 2023B Housing Bonds. As part of the issuance of the Series 2022AB and Series 2023AB Bonds, the City executed indentures of trust, which establish the terms by which the trustee administers and disburses bond payments. The proposed Second Supplements to the Indentures of Trust will apply to the Series 2025AB Bonds. The net available increment is separately pledged under separate indentures of trust to each series based on the shares determined in the Infrastructure Financing Plan (82.5 percent to the Facilities Bonds and

⁵ A statewide joint powers authority is a public entity created by two or more public agencies to jointly exercise common powers, such as providing low-cost financing for public projects

⁶ OPF states that the underwriter (Stifel, Nicolaus & Company, Incorporated) was the highest ranked proposer in the Development Finance pool.

⁷ Bonds issued on a parity basis have equal seniority to one another and equal rights of payment.

17.5 percent to the Housing Bonds). The pledge of conditional City increment is split between the two series based on the same proportions.

Preliminary Official Statement & Continuing Disclosure Certificates

The Preliminary Official Statement describes the legal structure of the bonds as well as sources of revenue and major risks related to repayment for the benefit of prospective investors. The Preliminary Official Statement will be finalized after it is approved by the Board of Supervisors and Mayor prior to the sale of the bonds. The proposed resolution allows the IRFD to issue annual Continuing Disclosure Certificates, which provide financial information relevant for existing and prospective bond investors.

FISCAL IMPACT

Exhibit 1 below shows the sources and uses of the proposed tax increment revenue bonds. Based on market conditions as of August 2025, the City intends to issue approximately \$25.4 million of Tax Increment Revenue Bonds with estimated proceeds of \$25.1 million after the projected original issue discount.⁸ To accommodate potential increases in bond proceeds due to shifts in market conditions and/or investor demands, the City could issue up to \$31 million in tax increment revenue bonds under the proposed resolution.

Exhibit 1: Estimated Sources and Uses of Proposed 2025 Tax Increment Revenue Bonds

	2025A Facilities Bonds	2025B Housing Bonds	Total
Sources			
Par Amount	\$20,975,000	\$4,440,000	\$25,415,000
Discount	(253,796)	(69,444)	(323,240)
Reserve for Market Uncertainty			5,908,240
Total Sources	\$20,721,204	\$4,370,556	\$31,000,000
Uses			
Project Fund	\$18,627,904	\$3,927,013	\$22,554,917
Debt Service Reserve	1,324,760	280,859	1,605,618
Delivery Expenses	768,540	162,685	931,225
<i>Cost of Issuance</i>	<i>453,915</i>	<i>96,085</i>	<i>550,000</i>
<i>Underwriter's Discount</i>	<i>314,625</i>	<i>66,600</i>	<i>381,225</i>
Reserve for Market Uncertainty			5,908,240
Total Uses	\$20,721,204	\$4,370,556	\$31,000,000

Source: Office of Public Finance and Stifel, Nicolaus & Co, Inc.

⁸ Bond investors demand a discount on the face value of bonds if the coupon rate of the bonds is less than comparable market rate interest rates.

The proposed resolution limits the underwriter's discount to 1.5 percent of the bonds' par value. Based on the values in Exhibit 1 above, the estimated underwriter's discount is 1.5 percent of the bonds' par value. The debt service reserve amounts are based on maximum annual debt service on the proposed and outstanding bonds and will depend on market conditions at the time of sale. Costs of issuance include legal and consultant fees, as well as reimbursement for staff time.

Project Costs Funded by Facilities and Housing Bonds

The proceeds of the 2025A Facilities Bonds⁹ would reimburse expenditures on public improvements for the Project incurred by the developer, including demolition, abatement and geotechnical work¹⁰ on Treasure Island and Yerba Buena Island that have been completed and were required to begin horizontal development. In addition, proceeds would also reimburse the developer for permit fees and predevelopment costs, as well as the completion of public park construction.

The proceeds of the 2025B Housing Bonds are expected to be used by TIDA and MOHCD to finance a grant or forgivable loan for a proposed senior affordable multifamily housing development (Parcel Senior E1.2) by Mercy Housing California¹¹ located at the intersection of Avenue F and California Street on Treasure Island. A five-story building, the proposed senior affordable housing development will have 100 units¹², including six transitional units for households relocating from housing that was previously owned by the Navy on Treasure Island. Construction is planned to begin in October 2026 and be completed by September 2028 according to TIDA staff in consultation with MOHCD. MOHCD anticipates seeking Board approval of the project's loan agreement in September 2026.

Appropriation

The proposed appropriation ordinance would appropriate \$5.5 million of bond proceeds from the Series 2025B Housing Bonds and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Housing Bonds for MOHCD to finance the proposed senior affordable multifamily housing development (Parcel Senior E1.2). OPF states that the \$5.5 million is a not-to-exceed estimate of Series 2025B proceeds, with \$1,572,987 reserved for market uncertainty. Exhibit 2 below shows the estimated sources and uses of the proposed appropriation of \$5,769,288. The appropriation only includes funding for housing. According to TIDA, the facilities bond proceeds do not require appropriation authority.

⁹ According to TIDA, the \$18,627,904 of 2025A Facilities Bond proceeds deposited in the Facilities Project Fund will fund the following: \$1,455,237 to reimburse pre-development costs, \$4,780,719 to reimburse City permit costs, \$5,919,518 to reimburse demolition and abatement costs, and \$6,472,430 to reimburse public park construction costs.

¹⁰ Geotechnical work encompasses specialized ground-improvement activities, including soil densification and stabilization, to improve the structural stability of the island's reclaimed land.

¹¹ Under the development agreement, the first five Authority Housing Developments (of which Parcel Senior E1.2 is one) is required to be developed by One TI (formerly Treasure Island Homeless Development Initiative - TIHDI) Qualified Housing Developers without a competitive solicitation process. Mercy Housing California is a One TI Qualified Housing Developer.

¹² This includes 95 one-bedroom units and five 2-bedroom units

Exhibit 2: Estimated Sources and Uses of Proposed Appropriation

	Total
Sources	
Series 2025B Housing Bonds (estimated)	\$3,927,013
Reserve for Market Uncertainty – Series 2025B Housing Bonds	1,572,987
Series 2022B Housing Bonds Interest Earnings	163,849
Series 2023B Housing Bonds Interest Earnings	105,439
Total Sources	\$5,769,288
Uses	
Parcel Senior Affordable Housing E1.2 – Construction costs	\$5,769,288
Total Uses	\$5,769,288

Source: Office of Public Finance and TIDA

Debt Service

The proposed bonds are anticipated to have a 30-year term and an estimated true interest cost of 5.84 percent based on market conditions as of August 28, 2025. Total debt service is expected to be \$55.1 million (including the anticipated total par amount of \$25.4 million and estimated total interest of \$29.7 million) or approximately \$1.9 million on average, per year. The bonds would be repaid with tax increment revenue collected within the IRFD. The Office of Public Finance expects the bonds will be issued by November or December 2025.

City Not Liable for Bond Repayment

The Bonds are limited obligations of the IRFD and are secured and payable only from the pledged tax increment of the IRFD. The City's General Fund is not liable for the repayment of the bonds.

RECOMMENDATION

Approve the proposed resolution.

[illegible]

SAN FRANCISCO BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST



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

**Budget & Finance
Committee**

October 22, 2025



Treasure Island Development Authority
Controller's Office of Public Finance

IRFD No. 1 (Treasure Island)

Tax Increment Revenue Bonds

Action Items

- **File No. 250948** 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
- **File No. 250946** Supplemental Ordinance Appropriating \$5,500,000 in Tax Increment Revenue Bond Proceeds in Treasure Island Infrastructure and Revitalization Financing District (FY25-26) and \$269,288 in accumulative interest earnings from Prior Bond Proceeds

Treasure Island Update

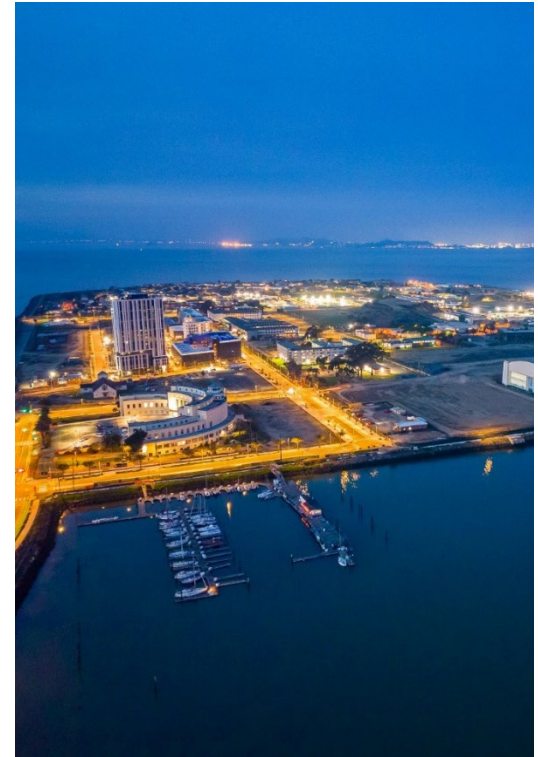
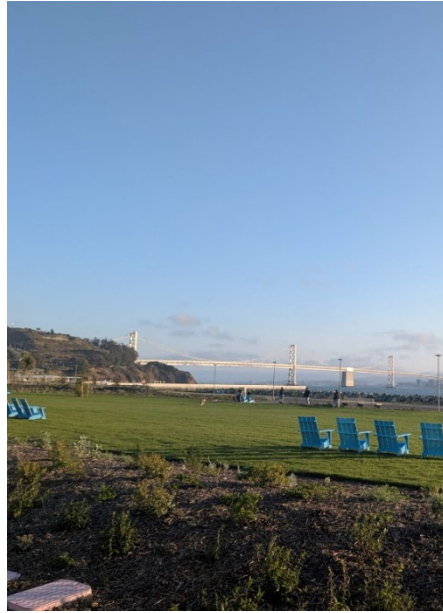


The Treasure Island Project

- For nearly three decades the City and the Treasure Island Development Authority ("TIDA") have worked together on the Treasure Island/Yerba Buena Island Development Project (the "Project") to redevelop the former Treasure Island Naval Station in connection with the conveyance of the Navy-owned lands to TIDA
- In 2003, TIDA and the Treasure Island Community Development, LLC ("TICD") entered into an Exclusive Negotiating Agreement and began work on a Development Plan
- In 2011, TICD and TIDA entered into the Disposition and Development Agreement ("DDA") and TICD and the City entered into the Development Agreement ("DA") to deliver the Project
- 2017 – The Community Facilities District ("CFD") and the Infrastructure and Revitalization Financing District ("IRFD") were formed by the Board of Supervisors ("BOS") to facilitate future funding of the Project
- 2020-2023 – Four series of CFD bonds were issued for Improvement Areas No. 1 and 2, as well as four series of bonds for IRFD No. 1
- 2024 – The BOS approved amendments to both the DDA and DA which provided for, among other things, the issuance of Certificates of Participation to fund \$115 million of Stage 2 infrastructure costs
- 2025 – The first tranche (of three tranches) of City Certificates of Participation COPs were issued

Treasure Island Infrastructure Update

- Stage 1 roadways and utility infrastructure completed in March 2024; Stage 2 demolition and geotechnical improvements started in 2022 for completion in 2028
- Approx. 15 new acres of open space (across 7 new parks)
- 2 new public art installations; one in planning
- New ferry terminal





Treasure Island Housing Production

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

Proposed IRFD No. 1 – Tax Increment Revenue Bonds

Use of Proceeds

- Facilities Bonds (Series 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, public parks construction costs, and subsidy payments paid by TICD to TIDA pursuant to the Housing Plan
- Housing Bonds (Series 2025B)
 - Partially fund 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%

Financing Information



Proposed Tax Revenue Increment Bonds

Series 2025A & Series 2025B – Plan of Finance

Estimated Financing Terms

- Not-to-exceed par amount: \$31M
- Expected term: 30 years
- Final Maturity: Sept. 1, 2055
- True Interest Cost: 5.84%
- Bond Proceeds: \$25M
- Financing Costs: \$931K
- Total Debt Service: \$55M

Estimated SOURCES & USES*

	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
<u>Estimated 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>Estimated 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”)
- Non-rated tax increment bonds have unique risks that 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

Preliminary Official Statement

- SF Board of Supervisors is the governing body of the IRFD and approves the issuance of bonds and the form of the Preliminary Official Statement (delegating final authority to Controller's Office)
- Policy makers have a responsibility under federal securities laws to ensure that staff is aware of information that they may have unique in their capacity as policy makers that would have a material bearing of the capacity of the IRFD to repay the bonds
- The POS describes the following for prospective investors:
 - The terms of the Bonds
 - Sources of repayment and the security for the Bonds
 - Information about the IRFD and its operations and financial ability of the IRFD to make timely payments of principal of and interest on the Bonds.
 - Risk Factors related to investment in IRFD bonds
- Prior to the distribution of the POS (and final Official Statement), the disclosure will have been thoroughly and critically reviewed by TIDA and City and staff (in consultation with the City/TIDA's professional advisors, including Disclosure Counsel) to provide the most current material financial and other material information available

Questions?



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller

ChiaYu Ma
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors, as legislative body of
City and County of San Francisco Infrastructure and Revitalization
Financing District No. 1 (Treasure Island) (the "Treasure Island IRFD" or the "IRFD")

FROM: Anna Van Degna, Director of the Controller's Office of Public Finance
Bridget Katz, Deputy Director, Controller's Office of Public Finance
Min Guo, Controller's Office of Public Finance
Bob Beck, Director of the Treasure Island Development Authority
Jamie Querubin, Finance Manager, Treasure Island Development Authority

DATE: **September 9, 2025**

SUBJECT: Resolution supplementing Resolution No. 7-17 Authorizing Issuance of Bonds by City
and County of San Francisco Infrastructure and Revitalization Financing District No. 1
(Treasure Island) - Not to Exceed \$31,000,000

Supplemental Ordinance Appropriating \$5,769,288 in Tax Increment Revenue Bond
Proceeds and Bond Proceed Interest Earnings in Treasure Island Infrastructure and
Revitalization Financing District (FY25-26)

Recommended Actions

We respectfully request that the Board of Supervisors ("Board"), in its capacity as the legislative body of the Treasure Island IRFD, consider for review and approval the resolution ("Bond Resolution") which authorizes the issuance of, in one or more series, not to exceed \$31,000,000 aggregate principal amount of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, expected to be sold in two series: Series 2025A (Facilities Increment) and Series 2025B (Housing Increment) described further herein.

We also respectfully request that the Board considers for review and approval a supplemental appropriation ordinance ("Ordinance") appropriating \$5,500,000 of bond proceeds from Treasure Island IRFD Tax Increment Revenue Bonds, Series 2025B (Housing Increment), and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Bonds, which will be used by the Mayor's Office of Housing and Community Development ("MOHCD") to finance certain affordable housing projects on Treasure Island.

Background

Since 1997, the City and TIDA have worked together on the Treasure Island/Yerba Buena Island Development Project ("Project") to redevelop the former Treasure Island Naval Station ("NSTI") in connection with the conveyance of the Navy-owned lands to TIDA. In early 2003, TIDA and the Treasure Island Community Development, LLC ("TICD" or the "Developer") entered into an Exclusive Negotiating Agreement and began work on a Development Plan for the Project.

In 2011, TICD and TIDA entered into a Disposition and Development Agreement ("DDA"), and TICD and the City entered into a Development Agreement ("DA") to deliver the Project. The Financing Plan attached to the DDA and DA ("DDA Financing Plan") contemplates reimbursement to the Developer for costs incurred to construct public infrastructure through the issuance of special tax bonds issued for one or more community facilities districts ("CFDs") formed under the Mello-Roos Community Facilities Act of 1982 ("Mello-Roos Act") and tax increment revenue bonds issued by the Treasure Island IRFD No.1 ("IRFD"). The DA, the DDA and the DDA Financing Plan were amended in 2024 to resolve disputes among TICD, TIDA and the City, and to accelerate the development of housing in the Project. The amendments included the City agreeing to advance up to \$115 million in City-supported capital funds through the issuance of certificates of participation to fund Stage 2 infrastructure.

Under the Mello-Roos Act, the Board of Supervisors has the authority to levy special taxes on taxable property in a CFD. Under the IRFD Law, the City allocates a portion of the general 1.00% ad valorem incremental tax revenues to the IRFD; no new taxes are levied by the City in connection with the IRFD.

The Development Plan anticipates a new San Francisco neighborhood consisting of up to 8,000 residential units, including homes at below-market rates and approximately 27% affordable housing in total. The Development Plan also includes new commercial and retail space, up to 500 hotel rooms, and 290 plus acres of parks and public open space, including shoreline access and cultural uses. Transportation amenities being built for the project will enhance mobility on Yerba Buena Island and Treasure Island as well as link the islands to mainland San Francisco. The Project's master plan also includes public facilities serving the Project, utility improvements, new and upgraded streets, public byways, bicycle, transit, pedestrian facilities, and a new ferry terminal.

The Treasure Island IRFD

On January 31, 2017, following a public hearing and landowner vote, the Board adopted Ordinance No. 21-17 forming the IRFD and adopting the Infrastructure Financing Plan ("Original Adopted IFP"). The IRFD consists of five Project Areas on Yerba Buena Island (Project Area A) and Treasure Island (Project Areas B, C, D & E), which represent the initial phases of development of the Project. The IRFD formation proceedings also established a process for the annexation of property to the IRFD.

On February 15, 2022, following a public hearing and landowner vote, the Board adopted Ordinance No. 029-22 adding territory to and adopting amendments to the Original Adopted IFP (as amended the "IFP" or "IRFD Financing Plan") to facilitate the administration and distribution of the tax increment in accordance with IRFD Law and the IRFD Financing Plan over the life of the IRFD.

Under the terms set forth in the IRFD Financing Plan, the City has committed a portion of the 1.00% incremental property tax revenues derived in the project areas to the IRFD ("IRFD Portion") for the reimbursement of eligible project costs and the financing of affordable housing consistent with the terms and limitations of IRFD Law, as detailed in the IFP, shown below:

Table 1: Apportionment of 1.00% Ad Valorem property tax from the IRFD Financing Plan

IRFD Portion		
Net Available Increment	To IRFD for Facilities & Housing	56.588206%
Conditional City Increment	To IRFD available for debt service coverage	8.000000%
Total IRFD Portion of 1.00%		64.588206%
Other Taxing Entities Portion: State ERAF, Local Education Agencies & Special Districts		
Education Revenue Augmentation Fund ("ERAF")		25.330113%
San Francisco Unified School District		7.698857%
San Francisco Community College Fund		1.444422%
San Francisco County Office of Education		0.097335%
Bay Area Rapid Transit District		0.632528%
Bay Area Air Quality Management District		0.208539%
Total Other Taxing Entity's Portion of 1.00%		35.411794%
Total 1.00% Ad Valorem Property		100.000000%

Pursuant to the IRFD Financing Plan, the City has committed its 56.588206% portion of the 64.588206% IRFD Portion of the 1.00% Tax Increment to the public financing for the Project ("Net Available Increment"), with 82.5% of those committed revenues being available to finance infrastructure constructed by the Developer ("Facilities" and "Net Available Facilities Increment") and 17.5% of the revenues reserved for the use of TIDA and the City, through MOHCD, to finance affordable housing ("Housing" and "Net Available Housing Increment").

The remaining balance of 8.00% of the 64.588206% IRFD Portion of the 1.00% Tax Increment ("Conditional City Increment") is not dedicated directly to the funding of the Project, but it is pledged, if needed, to pay debt service on currently outstanding bonds of the IRFD and any future debt of the IRFD ("Parity Debt"). On an annual basis, Conditional City Increment will be returned to the City's General Fund if not needed for debt service on any outstanding bonds.

The Original Adopted IFP established the initial Project Areas (A, B, C, D and E) including (i) legal boundaries (amended by the IFP); (ii) the fiscal year to be used as the base year for calculating incremental assessed value and tax increment available to the Project; (iii) the trigger amount of tax increment to be collected by the City to commence the distribution of the tax increment to the IRFD from a given Project Area in the following fiscal year ("Commencement Year"), and to determine the final year of tax increment allocation to the IRFD from such Project Area, which is 40 years following the Commencement Year.

Project Area A encompasses development parcels located on Yerba Buena Island. Project Areas B, C, D, and E encompass a portion of the development parcels located on Treasure Island within the first phase of development along the waterfront nearest to Downtown San Francisco and the causeway connection to Yerba Buena Island.

The IRFD received the first distribution of tax increment from Project Area A in FY 2019-20. In FY 2022-23, the IRFD also began to receive distributions of tax increment from Project Areas B and E, as shown in the table below.

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Table 2: Historic Tax Increment Distributed to the IRFD District

Historic Allocations of Tax Increment to IRFD No. 1						
City 1% Portion	Active Project Areas	Dedicated & Pledged to IRFD*			City Conditional	Total City Increment*
		56.588206%			8.000000%	64.588206%
Fiscal Year		82.50% Facilities	17.50% Housing	Total Dedicated & Pledged to IRFD	Conditional	Total City
2019-20	A	\$327,218	\$69,410	\$396,628	\$56,072	452,700
2020-21	A	\$471,256	\$99,963	\$571,219	\$80,755	651,974
2021-22	A	\$1,036,574	\$219,879	\$1,256,453	\$178,350	1,434,803
2022-23	A, B, E	\$1,839,994	\$390,302	\$2,230,295	\$316,637	2,546,932
2023-24	A, B, E	\$2,353,470	\$498,967	\$2,852,436	\$403,346	\$3,255,783
2024-25	A, B, E	\$3,186,342	\$673,987	\$3,860,329	\$544,833	\$4,405,161
Total		\$9,214,853	\$1,952,508	\$11,167,360	\$1,579,993	\$12,747,353

* Net of Property Tax Administration Cost, which represents the priority portion of admin expenses related to the division of taxes.

Attachment A provides an overview of historic assessed values of Project Areas A, B, C, D and E since the Base Year of FY2016-17.

IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds

The DDA Financing Plan provides that TICD may request the issuance of debt by the IRFD from time to time. In August 2022, the City completed the first issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$29,390,000, including:

- \$24,270,000 Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) ("2022A Facilities Bonds")
- \$5,120,000 Tax Increment Revenue Bonds, Series 2022B (Housing Increment) ("2022B Housing Bonds")

The 2022A Facilities Bonds and the 2022B Housing Bonds (together, the "2022AB Bonds") are currently outstanding in the total principal amount of \$27,975,000.

In December 2023, the City completed the second issuance of IRFD No. 1 (Treasure Island) Tax Increment Revenue Bonds in the total principal amount of \$9,210,000, including:

- \$7,615,000 Tax Increment Revenue Bonds, Series 2023A (Facilities Increment) ("2023A Facilities Bonds", and, together with the 2022A Facilities Bonds, the "Existing Facilities Bonds")
- \$1,595,000 Tax Increment Revenue Bonds, Series 2023B (Housing Increment) ("2023B Housing Bonds", and, together with the 2022A Housing Bonds, the "Existing Housing Bonds")

The 2023A Facilities Bonds and the 2023B Housing Bonds (together, the "2023AB Bonds") are currently outstanding in the total principal amount of \$8,845,000.

Current Plan of Finance

The proposed Bond Resolution would authorize the next issuance of tax increment revenue bonds with a total par amount not to exceed \$31,000,000 ("2025AB Bonds" or "Bonds"), to finance facilities costs and affordable housing costs of the Treasure Island Project. The 2025AB Bonds are expected to be designated as follows:

- Tax Increment Revenue Bonds Series 2025A (Facilities Increment) ("2025A Facilities Bonds")
- Tax Increment Revenue Bonds Series 2025B (Housing Increment) ("2025B Housing Bonds")

The proposed 2025A Facilities Bonds would be secured on a parity basis with the Existing Facilities Bonds under an indenture of trust ("Facilities Indenture") for bonds secured by a pledge of the Net Available Facilities Increment ("Facilities Bonds"). The proposed 2025B Housing Bonds would be secured on a parity basis with the Existing Housing Bonds under a separate indenture of trust ("Housing Indenture," and together with the Facilities Indenture, "Indentures") for bonds secured by a pledge of the Net Available Housing Increment ("Housing Bonds"). Additional parity debt may be incurred under the respective Indentures in addition to the 2022AB Bonds, the 2023AB Bonds, and the 2025AB Bonds (together, the "Outstanding Bonds").

The pledge of Conditional City Increment is split between the Facilities Bonds and the Housing Bonds on the same proportional share as the Net Available Increment: 82.5% for Facilities ("Conditional City Facilities Increment") and 17.5% for Housing ("Conditional City Housing Increment").

Tax Increment Financing Credit Considerations

The proposed Bonds will be sold without a rating by any of the nationally recognized rating agencies ("Non-Rated"). Non-rated tax increment revenue bonds have unique credit considerations and risk factors for investors, as discussed under "Risk Factors" section of the Preliminary Official Statement ("POS") for the Bonds. The City, in consultation with the underwriter and the City's municipal advisor, has discretion to limit the pool of prospective investors to individuals who can manage the potential risks associated with Non-Rated obligations, such as the Bonds. The Bonds may be offered and sold only to Qualified Purchasers who meet certain sophisticated investor criteria, as described in "Transfer Restrictions" of the POS.

The Bonds are limited obligations of the IRFD (not the City) and are secured by and payable solely from the Pledged Tax Increment of the IRFD. Other than the limited pledge of City Conditional Increment within the IRFD, the General Fund of the City is not liable for the payment of principal or interest on the Bonds, nor is any property or the credit of the City pledged to the repayment of the Bonds.

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report ("Fiscal Consultant Report" or "FCR") detailing the assessed valuation of the Project Areas of the IRFD and summarizing information from the developer.

Debt Service Coverage. The City has covenanted to investors to not issue additional parity debt unless revenues are at least 125% of debt service from Pledged Tax Increment, which includes the 8.0% Conditional City Increment (or approximately 109 % of debt service excluding the Conditional City Increment. "Pledged Tax Increment" consists of an allocated share of Net Available Increment plus City Conditional Increment as applicable to each of the Facilities Bonds and the Housing Bonds.

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Under the Indentures, the City covenants that the Conditional City Increment will be available to repay debt service in the case where the Net Available Increment in a given year is insufficient to pay the debt service requirements on the Outstanding Bonds in that year. Conditional City Increment for one fiscal year is not available to fund a shortfall in Net Available Increment in a subsequent year.

Bond Structure. It is anticipated that both the Series 2025A Facilities Bonds and the 2025B Housing Bonds will be structured such that aggregate debt service for all Facilities Bonds and aggregate debt service for all Housing Bonds, respectively, after issuance of Series 2025A Facilities Bonds and Series 2025B Housing Bonds, are substantially level on an annual basis.

Parity Debt Service Reserve Funds. Each of the 2025A Facilities Bonds and the 2025B Housing Bonds will contribute to separate cash-funded debt service reserve funds originally funded from proceeds of the Existing Facilities Bonds and the Existing Housing Bonds, respectively. Under the parity debt provisions applicable to the issuance of the 2025A Facilities Bonds and 2025B Housing Bonds, the contribution to the debt service reserve funds is projected to be an amount needed to equal maximum annual debt service for the combination of the respective Existing Facilities Bonds/2025A Facilities Bonds and Existing Housing Bonds/2025B Housing Bonds. Each respective reserve fund is available to repay debt service of the corresponding bonds in the event that Net Available Tax Increment and Conditional City Increment pledged to such bonds are insufficient to cover the debt service requirements of such bonds on a proportional basis. If either respective reserve fund is ever drawn upon for the payment of debt service, each can only be replenished from Net Available Increment as applicable; City Conditional Increment cannot be used for this purpose.

Use of Proceeds

Proceeds of the Bonds will (i) be deposited in Facilities and Housing specific project funds to be spent in accordance with the IRFD Financing Plan, discussed further below; (ii) fund separate Facilities and Housing debt service reserve funds for the Bonds, (iii) fund administrative expenses, and (iv) finance costs of issuance.

Facilities Bonds- Proceeds of the 2025A Facilities Bonds deposited in the Facilities Project Fund are expected to be used to reimburse TICD for certain geotechnical, demolition and abatement work on Yerba Buena Island and Treasure Island that has been completed by TICD and was necessary for TICD to begin horizontal development. The proceeds of the 2025A Facilities Bonds are also expected to be used to reimburse TICD for certain predevelopment costs, permit fees, subsidy payments paid to TIDA pursuant to the Housing Plan and the construction of public parks that have been completed by TICD.

Housing Bonds - Proceeds of the 2025B Housing Bonds deposited in the Housing Project Fund are currently anticipated to be used by TIDA and MOHCD to finance a grant or forgivable loan for the development of a 100-unit senior affordable multifamily housing project. The planned housing project will be a five-story building with 95 1-bedroom units and five 2-bedroom units. The proposed housing development includes approximately six transitional units for legacy households relocating from formerly Navy-owned housing on Treasure Island. Construction is scheduled to begin in late 2025 and is expected to be completed in mid-2028. The project sponsor is Mercy Housing California. The housing project will not be subject to property taxes.

In addition to appropriating the 2025B Housing Project Fund, the Ordinance appropriates interest earnings currently held in the 2022B and 2023B Housing Project Funds (pursuant to the Indenture) to MOHCD for affordable housing projects on Treasure Island.

Table 3 below outlines anticipated sources and uses for the Bonds, based on market conditions as of August 28, 2025.

Table 3: Estimated Sources & Uses of the 2025A Facilities Bonds & 2025B Housing Bonds

Sources:	2025A Facilities Bonds	2025B Housing Bonds	Total Bonds
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
Uses:			
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

Source: Stifel, Nicolaus & Company, Inc.

Interest Rate; Projected Debt Service

Based upon current market conditions, a 30-year term (September 1, 2055) and a true interest cost of 5.84%, which assumes the issuance of both the 2025A Facilities Bonds and 2025B Housing Bonds on a tax-exempt basis, aggregate average annual debt service is estimated to be approximately \$1.9 million. The anticipated total par amount of \$25.4 million is estimated to result in approximately \$29.7 million in interest payments over the life of the Bonds, for total debt service estimated at approximately \$55.1 million.

Actual results will vary depending on market conditions at the time of the sale. The difference between the estimated principal amount of \$25,415,000 and the not to exceed amount of \$31,000,000 is to account for market uncertainty.

Method of Sale

Given the unique credit characteristics associated with tax increment bonds, a negotiated sale is planned in connection with this transaction. The 2025AB Bonds will be repaid from tax increment revenues from a specific development project which is outside of the City's customary general fund credit profile. Following the completion of competitive Request for Qualifications ("RFQ") process in May 2023, the highest ranked proposer in the Development Finance pool, Stifel, Nicolaus & Company, Incorporated was selected to serve as the Underwriter for the transaction.

The proposed Bond Resolution approves the form of the Bond Purchase Agreement (described further below) which provides the terms of sale of the Bonds by the IRFD. In order to sell the Bonds on a negotiated basis, in accordance with State IRFD Law, the IRFD will sell the bonds first to a third-party statewide joint powers authority, the California Statewide Communities Development Authority ("CSCDA"), of which the City is a member, and then CSCDA will, in turn, sell the Bonds to the Underwriter. Given the risks associated with tax increment bonds without an extensive credit history, a negotiated sale facilitates the marketing of the credit to prospective investors.

Additional Information

The Bond Resolution and Ordinance are expected to be introduced at the Board of Supervisors meeting on September 16, 2025, and to be heard at the Budget and Finance Committee on October 22, 2025.

The forms of the financing documents related to the Bonds—including the Bond Purchase Agreement, the Supplemental Indentures, the Preliminary Official Statement, the Continuing Disclosure Certificate and related documents—will also be submitted.

Bond Purchase Agreement: The IRFD intends to pursue a fixed rate negotiated sale of the Bonds. The Bond Purchase Agreement details the terms, covenants, and conditions for the sale of the Bonds through the Underwriter, as well as agreements regarding expenses, closing and disclosure documents.

Second Supplement to the Indentures (Facilities and Housing): The proposed Bond Resolution also approves the forms of the Second Supplement to Indentures pursuant to which the Trustee administers and disburses bond payments. The IRFD executed the Indentures in connection with the issuance of the Series 2022AB Bonds, and the Second Supplement to Indentures will apply specifically to the Series 2025AB Bonds. The Indentures, as proposed to be supplemented, provide for the terms of the bond redemption, prepayment provisions, and other related administrative provisions. The Trustee holds the Treasure Island IRFD reserves, all tax increment pledged to the Bonds and the proceeds derived from the sale of the Bonds, and will disburse the proceeds as directed by authorized City representatives.

Preliminary Official Statement: The POS is distributed to investors prior to the sale of the Bonds and provides information for investors in connection with the public offering by the IRFD of the Bonds. The POS describes the Bonds, the Project, including sources and uses of funds; security for the Bonds; risk factors; and other legal matters, among other information. The Fiscal Consultant Report will be attached as an appendix to the Official Statement.

Final Official Statement: The final Official Statement contains the same information as the POS but includes the results of the pricing of the Bonds (i.e., sale results including principal amounts, offering prices, interest rates, and underwriters' compensation).

Under the anti-fraud provisions of the federal securities laws, the City and TIDA are required to ensure that the POS and the Official Statement contain information that is accurate and complete in all material respects. This obligation attaches to the individual members of the governing bodies approving the document as well as City staff charged with preparing the document on behalf of the IRFD. Certain information in the Official Statement will be provided by the Developer, and the Developer will certify in writing about the accuracy of such information. It is important that the information provided by all parties is accurate and complete in all material respects. "Material" in this context means that there is a substantial likelihood that the information would have actual significance in the deliberations of the reasonable investor when deciding whether to buy or sell the Bonds.

The Board and the Mayor, in adopting and approving the Bond Resolution, approve and authorize the use and distribution of the Preliminary and Final Official Statements by the Underwriter. The Controller's Office will certify, on behalf of the City and the IRFD, that the Preliminary and Final Official Statements are "deemed final" as of their respective dates.

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Continuing Disclosure Certificate: The IRFD covenants to provide certain financial information and operating data relating to the Bonds ("Annual Report") not later than nine months after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material. The Continuing Disclosure Certificate describes the nature of the information to be contained in the Annual Report or the notices of material events. These covenants have been made to assist the Underwriter of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Anticipated Legislative Timeline

Milestones	Dates*
• TIDA Board Meeting	September 10, 2025
• Introduction of Resolution and Ordinance to the BOS	September 9, 2025
• Presentation to Capital Planning Committee	September 29, 2025
• Budget & Finance Committee for Resolution & Ordinance	October 22, 2025
• Board Considers Approval of Resolution & Ordinance (First Reading)	October 28, 2025
• Board Considers Approval of Ordinance (Second Reading)	November 4, 2025
• Sale and Closing of the Bonds	November/December 2025
• Sale and Closing of the Bonds	November/December 2025

**Please note that dates are estimated unless otherwise noted.*

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org), Jamie Querubin (jamie.querubin@sfgov.org) or Min Guo (min.guo@sfgov.org) if you have any questions.

Attachment A

FY2016-17 TO FY2025-26

HISTORIC ASSESSED VALUES SINCE BASE YEAR

TREASURE ISLAND IRFD NO. 1

Table 7. Historic Assessed Values								
Fiscal Year	Project Areas Active in FY 2025-26			Total Project Areas Active in FY 2025-26 ⁽¹⁾	Project Areas Not Yet Active		Total All Project Areas ⁽¹⁾	Percent Change
	Area A	Area B	Area E		Area C	Area D		
2016-17 ⁽¹⁾	-	-	-	-	-	-	-	
2017-18	-	-	-	-	-	-	-	n/a
2018-19	68,568,818	4,883,740	577,630	74,030,188	1,768,367	2,848,093	78,646,648	n/a
2019-20	70,090,194	5,054,967	972,038	76,117,199	1,803,733	2,448,642	80,369,574	2.2%
2020-21	102,085,597	5,155,625	991,477	108,232,699	1,839,808	2,497,179	112,569,686	40.1%
2021-22 ⁽²⁾	201,114,923	47,700,000	25,900,000	274,714,923	1,858,868	2,523,048	279,096,839	147.9%
2022-23	287,081,623	52,177,932	33,061,340	372,320,895	1,896,045	31,477,893	405,694,833	45.4%
2023-24	314,688,909	98,331,576	73,843,791	486,864,276	1,933,965	32,107,450	520,905,691	28.4%
2024-25	373,495,835	121,915,309	166,409,148	661,820,292	1,972,644	32,749,598	696,542,534	33.7%
2025-26	\$412,723,876	\$263,567,246	\$172,303,013	\$848,594,135	\$2,012,096	\$33,404,588	\$884,010,819	26.9%

Columns that reflect inclusion of project areas not yet collecting tax increment in FY 2025-26 are shown in grey.

(1) FY 2016-17 is the base year.

(2) Includes FY 2021-22 escape roll assessments representing assessed values added by transfers of ownership that occurred prior to the January 1, 2021 lien date for the FY 2021-22 assessment roll.

(3) All figures in this table represent both total and incremental assessed value, as the base year assessed value is zero.

Attachment B

GOOD FAITH ESTIMATES

For purposes of compliance with Section 5852.1 of the California Government Code, the following information are good faith estimates provided by the Underwriter Stifel, Nicolaus & Company Inc., assuming an aggregate bond issuance of \$25,415,000, which is less than the not to exceed authorization of \$31,000,000:

1. True interest cost of the Bonds: 5.84%
2. Finance charge for the Bonds, including all fees and charges for third parties (including underwriter's compensation, municipal advisory fees, co-bond counsel fees, disclosure counsel fees, trustee fees and other payments to third parties): \$931,225.
3. Amount of Bond proceeds expected to be received by the IRFD, net of payments identified in 2 above and any reserve fund or capitalized interest funded with proceeds of the Bonds: \$22,554,917.
4. Total payment amount for the Bonds, being the sum of (a) debt service on the Bonds to final maturity, and (b) any financing costs not paid from proceeds of the Bonds: \$55,148,376.

The information set forth above is based on estimates of prevailing market conditions as of August 28, 2025. Actual results may differ if assumed market conditions change.

President, District 8
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date: 10/21/25

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. _____

(Primary Sponsor)

Title. _____

☐ Transferring (Board Rule No 3.3)

File No. _____

(Primary Sponsor)

Title. _____

From: _____ Committee

To: _____ Committee

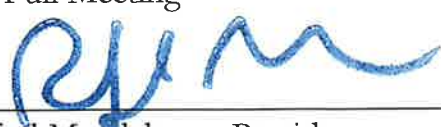
☒ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: Chen Replacing Supervisor: _____

For: 10/22/25 Budget & Finance Meeting
(Date) (Committee)

Start Time: _____ End Time: _____

Temporary Assignment: ☐ Partial ☒ Full Meeting


Rafael Mandelman, President
Board of Supervisors

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: Appropriation - \$5,769,288 in Treasure Island Infrastructure and Revitalization Financing District
Tax Increment Revenue Bond Proceeds and Bond Proceed Interest Earnings - FY2025-2026
DATE: September 16, 2025

Ordinance appropriating \$5,769,288 consisting of \$5,500,000 from the issuance of Treasure Island Infrastructure and Revitalization Financing District (IRFD) No. 1 Tax Increment Revenue Bonds and \$269,288 accumulated interest earnings from the Series 2022B and Series 2023B Treasure Island IRFD Bond to fund affordable housing projects to the Mayor's Office of Housing and Community Development (MOHCD), and placing these funds on Controller's Reserve pending the sale of the Tax Increment Revenue Bonds and receipt of proceeds in Fiscal Year (FY) 2025-2026.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org