OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
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
Luke Brewer, Controller's Office of Public Finance
Bob Beck, Director of the Treasure Island Development Authority

DATE: **Tuesday, March 22, 2022**

SUBJECT: Resolution of the Treasure Island IRFD Authorizing the Issuance and Sale of one or more series of Tax Increment Revenue Bonds Not to Exceed $30,000,000, approving related documents and approving bonds for purposes of Internal Revenue Code Section 147(f)

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 (the "Bond Resolution") which authorizes the issuance of, in one or more series, not to exceed $30,000,000 aggregate principal amount of City and County of San Francisco ("City") Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds (the "Bonds"), expected to be sold in two series: Series 2022A (Facilities Increment) and Series 2022B (Housing Increment) described further herein.

Background

Since 1997, the City and the Treasure Island Development Authority ("TIDA") have worked together on the Treasure Island/Yerba Buena Island Development Project ("Project") in order 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[1] ("TICD" or the "Developer") entered into an Exclusive Negotiating Agreement and began work on a Development Plan.

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.

1. The existing members of TICD are (1) Treasure Island Holdings, LLC, a joint venture comprised of a subsidiary of Lennar Corporation and a non-managing third-party investor member, (2) TICD Hold Co., LLC, an indirect subsidiary of Lennar, (3) KSWM Treasure Island, LLC, a joint venture comprised of affiliates of Stockbridge Capital Group, LLC, Kenwood Investments, and Wilson Meany, LP, and (4) Stockbridge TI Co-Investors, LLC, an affiliate of Stockbridge.

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% ad valorem tax revenues to the IRFD; no new taxes are levied in connection with the IRFD.

The Project's development plan anticipates a new San Francisco neighborhood consisting of up to 8,000 new residential housing units, of which 27% will be affordable, as well as new commercial and retail space, a hotel, and 290 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 public facilities serving the Project include a combined police/fire emergency services building; utility improvements including new water, sewer, storm, gas, electrical and communications infrastructure with new water storage reservoirs and a wastewater treatment plant; new and upgraded streets, public byways, bicycle, transit, and pedestrian facilities; and a new ferry terminal. The full text of the DA, DDA, DDA Financing Plan and other entitlement and transaction documents for the development of NSTI can be found at:

http://sftreasureisland.org/approved-plans-and-documents

The Treasure Island IRFD

On January 31, 2017, following a public hearing and landowner vote, the Board adopted Ordinance No. 21-17 forming the Treasure Island IRFD and adopting the Infrastructure Financing Plan (the "Original Adopted IFP"). The IRFD consists of five (5) 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.

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") in order 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 incremental property tax revenues derived in the project areas to the IRFD for the reimbursement of eligible project costs 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	0.56588206%
Conditional City Increment	To General Fund (unless needed by the IRFD as set forth in the DDA Financing Plan)	0.08000000%
Total IRFD Portion of 1.00%		**0.64588206%**
Other Taxing Entities Portion: State ERAF, Local Education Agencies & Special Districts		
Education Revenue Augmentation Fund ("ERAF")		0.25330113%
San Francisco Unified School District		0.07698857%
San Francisco Community College Fund		0.01444422%
San Francisco County Office of Education		0.00097335%
Bay Area Rapid Transit District		0.00632528%
Bay Area Air Quality Management District		0.00208539%
Total Other Taxing Entity's Portion of 1.00%		0.35411794%
Total 1.00% Ad Valorem Property		**1.00000000%**

Pursuant to the IRFD Financing Plan, the City has committed its 0.56588206% portion of the 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 the Mayor's Office of Housing and Community Development ("MOHCD"), to finance affordable housing ("Housing" and "Net Available Housing Increment").

The remaining balance of 0.08% of City tax increment ("Conditional City Increment") is not dedicated specifically to the public financing for the Project but is pledged, if and as needed, to pay debt service on Bonds of the IRFD and any future debt of and issued by the IRFD ("Parity Debt"). Conditional City Increment will be returned to the City's General Fund if not needed for debt service on the Bonds. The Bonds are structured such that Conditional City Increment is not expected to be used to pay debt service; rather the intent is for the Conditional City Increment to serve as additional debt service coverage and credit enhancement to increase investor participation in Bond sales and achieve lower interest rates.

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 in order to commence the distribution of the tax increment to the IRFD from a given Project Area in the following fiscal year (the "Commencement Year") and to determine the final year of tax increment allocation to the Project, which is 40 years (or such longer period if allowed by the IRFD Law and approved by the Board) following the Commencement Year.

In FY 2019-20, Project Area A, which consists of the development parcels on Yerba Buena Island, began generating tax increment for the IRFD, as shown in the adjacent table.

Based on FY 2021-22 Assessed Values, the IRFD will begin receiving distributions of tax increment from both Project Areas B and E in FY 2022-23. **Attachment A** provides details on the historical incremental assessed values and tax increment generated by Project Area since formation.

Table 2: City Tax Increment Distributed to the IRFD

Project Area A					
City 1%	Dedicated & Pledged to IRFD			City Conditional	Total City Increment
Portion	0.56588206%			0.0800000%	0.64588206%
Fiscal Year	82.50% Facilities	17.50% Housing	Total	Conditional	Total City
2019-20	$327,218	$69,410	$396,628	$56,072	$452,700
2020-21	$476,589	$101,095	$577,684	$81,668	$659,353
2021-22 [1]	$952,199	$201,982	$1,154,181	$163,169	$1,317,350
Total	**$1,756,006**	**$372,486**	**$2,128,493**	**$300,910**	**$2,429,402**

[1] Based on actual assessed valuation, to be disbursed to the IRFD during Fiscal Year 2021-22.

Current Plan of Finance

The Bonds and all future Parity Debt of the IRFD will be sold as separate series for Facilities ("Facilities Bonds") and Housing ("Housing Bonds), with each respective portions of the Net Available Increment (82.5% Facilities & 17.5% Housing) pledged separately under separate indentures of trust (the "Indentures"). The Bonds are expected to be designated:

A. Tax Increment Revenue Bonds Series 2022A (Facilities) ("2022A Facilities Bonds")
B. Tax Increment Revenue Bonds Series 2022B (Housing) ("2022B Housing Bonds")

The pledge of Conditional City Increment will be split between the 2022A Facilities Bonds and the 2022B 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 & Risk Mitigating Structures

The Bonds will be sold without a rating ("Non-Rated"), due to the credit risk profile associated with tax increment financing derived from a relatively small number of parcels within a small geographic area, in an early stage of development and from a highly concentrated tax base. At this point, 100% of the incremental taxes being paid by TICD or merchant builders (who are all affiliates of TICD). Thus, these Bonds would likely not qualify for an investment grade rating at this stage of the development.

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 pledged 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, and the credit of the City is not pledged to the payment of the Bonds.

Any City Conditional Increment used for payment of the Bonds must repaid to the City by the IRFD with interest (7.13% Default Interest Rate).

While the Bonds are not debt of the City's General Fund, and the General Fund is not liable for the payment of the debt other than the limited pledged City Conditional Increment of the IRFD, the IRFD bears the "City and County of San Francisco" name and market recognition, and as such the City is subject to reputational risk in the event the Bonds' security becomes strained.

Tax increment financings ("TIFs"), generally have unique credit considerations and risk factors for investors, particularly those in early stages of development, all of which are discussed in the Official Statement.

- Unlike the City's Special Tax Bonds (where the City is actively levying an additional property tax), TIFs are supported by a passive revenue stream, meaning revenues are singularly derived from increases in assessed value and could decline if and to the extent assessed valuations within the IRFD decline.
- Until fully built-out, all TIFs bear some degree of development risk Assessed valuations are more volatile before construction is completed.
- In challenging real estate and/or credit markets, projects can struggle and may be abandoned by developers and/or homebuilders potentially leading to a decline in their assessed valuation or refusal/inability of property owners to pay property taxes when due; property owners may be more likely to appeal assessed valuations, and the assessor may adjust values and maintain values under market-stressed conditions.
- Taxpayer concentration risk, as the Bonds are secured by only increases in the assessed value of land being developed by the vertical developers at this time

As part of the disclosure for investors included in the Official Statement, the Fiscal Consultant, Keyser Marston Associates, has prepared a report (the "Fiscal Consultant Report" or "FCR") detailing the assessed valuation of the Project Areas of the IRFD. In order to mitigate the risks, the City intends to make structuring decisions for the Bonds appropriate for the existing credit and stage of development, in accordance with the DDA Financing Plan.

Debt Service Coverage. Although each series of the proposed Bonds will be secured by the total pledge of the City's portion of the applicable tax increment (i.e., the 2022A Facilities Bonds will be secured by a pledge of the Net Available Facilities Increment and the Conditional City Facilities Increment, and the 2022A Housing Bonds will be secured by a pledge of the Net Available Housing Increment and the Conditional City Housing Increment), the Bonds will be sized to leverage the applicable Net Available Increment a will be done so with debt service coverage in accordance with the Development Agreement. Bonds can never be issued leveraging the Conditional City Increment, which is only 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 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. Conditional City Increment serves primarily as credit enhancement to increase debt service coverage to increase investor participation in Bond sales and achieve lower interest rates.

Level Debt Service; Tax Increment Leverage based on expected FY 2022-23 Assessed Value. The Bonds will be structured with level annual debt service. It is anticipated the Bonds will be sized based on projected FY 2022-23 assessed value and tax increment, without consideration for future revenue growth.

Debt Service Reserve Funds equal to 1 year's debt service on the Bonds. In alignment with the market correction, the IRFD will have a debt service reserve fund for each series of Bonds that is available to repay debt service in the event that the related Net Available Tax Increment and Conditional City Increment are insufficient to cover the debt service requirements on the Bonds. If these funds are ever drawn upon for the payment of debt service, they can only be replenished from Net Available Increment; 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.

Proceeds of the 2022A Facilities Bonds deposited in the Facilities Project Fund will finance or reimburse expenditures on public improvements for the Project incurred by Developer. More specifically, the proceeds of the proposed Bonds are expected to reimburse the Developer for developer qualified costs, such as geotechnical work on Treasure Island, on-site infrastructure costs, including utility improvements, street improvements, curb, gutter and sidewalk improvements, streetlights, and traffic signals, purchases of land from the US Navy made by the Developer on behalf of TIDA, and related pre-development costs.

Proceeds of the 2022B Housing Bonds deposited in the Housing Project Fund are currently anticipated as a source of loan funding for a proposed affordable housing development by Mercy Housing ("Mercy") on Treasure Island Parcel C3.1 (the "Affordable Housing Project") which includes 138 units consisting of 23 one-bedrooms, 60 two-bedrooms, 40 three-bedrooms, and 14 four-bedrooms plus one manager's unit. 71 of the units will be replacement units for Catholic Charities' One Treasure Island units supported by a Continuum of Care contract and 23 non-income restricted units (at initial occupancy and until all eligible households have received their benefit) for existing Treasure Island residents ("Legacy Residents"). The remaining 43 units will be new affordable lottery units with preferences for income qualifying Legacy Residents and Vested Residents currently living in market rate units on Treasure Island.

The Project's area median incomes ("AMI") based on household size range from 30% California Tax Credit Allocation Committee ("TCAC") AMI up to 60% TCAC AMI in the DAHLIA lottery units and up to 100% TCAC AMI in the 23 Transition Units.

Exhibit 1: Affordable Housing Project Renderings, Parcel C3.1

In May 2021, the City's Affordable Housing Loan Committee approved a preliminary gap commitment for the Affordable Housing Project of $33,662,810 to accompany a 2021 Round 2 bond application. Like other City developments, the Affordable Housing Project was not awarded bond financing, but Mercy was informed in September 2021 that the project was designated as a Tier 1 project under the State's Housing Accelerator program ("Accelerator"). In February 2022, Treasure Island Parcel C3.1 was awarded Accelerator funds. In order to hold general contractor pricing, the construction closing needs to occur by the first week in May 2022. Mercy plans to start construction in May 2022 with a March 2024 estimated construction completion date.

Table 3 below outlines anticipated sources and uses for the Bonds, based on current market conditions.

Table 3: Estimated Sources & Uses of the 2022A Facilities Bonds & 2022B Housing Bonds

Sources:	2022A Facilities Bonds	2022B Housing Bonds	Total Bonds
Bond Proceeds			
Estimated Par Amount	$17,910,000	$3,775,000	$21,685,000
Premium	$268,000	$57,000	$325,000
Total Sources	**$18,178,000**	**$3,832,000**	**$22,010,000**
Uses:			
Project Fund	$16,201,700	$3,413,800	$19,615,500
Debt Service Reserve Fund	$1,121,500	$238,000	$1,359,500
Delivery Date Expenses			
Cost of Issuance	$557,500	$117,500	$675,000
Underwriter's Discount	$297,300	$62,700	$360,000
Total Uses	**$18,178,000**	**$3,832,000**	**$22,010,000**
Reserve for Market Uncertainty			*$7,990,000*
Not to Exceed Par Amount			**$30,000,000**

Source: Stifel and CSG Advisors Inc.

The requested aggregate not-to-exceed par amount of $30,000,000 exceeds the current estimates to provide flexibility and capture the benefit of more favorable market conditions should they be available at the time of sale. Conditions that could result in a change in the anticipated project fund and/or par amount include fluctuations in market interest rates between the date of authorization by the Board and the sale of the Bonds, changes in required deposits for reserves or in estimated delivery date expenses.

Interest Rate; Projected Debt Service

Based upon current market conditions, a 29-year term (September 1, 2051) and a true interest cost of 4.92%, which assumes the issuance of both the 2022A Facilities Bonds and 2022B Housing Bonds on a tax-exempt basis, aggregate average annual debt service is estimated to be approximately $1,359,500. The anticipated total par amount of $21,685,000 is estimated to result in approximately $18,930,000 in interest payments over the life of the Bonds, for total debt service estimated at approximately $40,615,000.

Negotiated Sale of the Bonds; Underwriters

The Bonds will be the first ever issued by an IRFD or any other non-RDA tax increment district in the State and are outside of the City's customary credit profile. A negotiated sale is planned in connection with this transaction. Prior to formation, Stifel, Nicolaus & Company, Incorporated ("Stifel") was selected to serve as Senior Underwriter and Backstrom McCarley Berry & Co. LLC, ("Backstrom") to serve as Co-underwriter (together, "Underwriters"). The Underwriters are in the City's Underwriter Pool, which was established via a competitive process.

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 to the Underwriters. 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 Underwriters. Pre-dissolution, this sale structure was commonly used by redevelopment agencies issuing tax allocation bonds, as the authorizing Community Redevelopment Law contained similar conditions on negotiated sales. In addition, a negotiated sale offers more flexibility in the timing of the sale, which may lend favorably during periods of market volatility.

<u>The Capital Plan</u>

The Bonds are limited obligations of the IRFD (not the City), secured by and payable solely from the Pledged Tax Increment of the IRFD and therefore are not subject to policy constraints of the Capital Plan.

Approval of the Bonds Under Internal Revenue Code Section 147(f)

In order for 2022B Bonds to finance the Affordable Housing Project on a tax-exempt basis, the IRFD would need to issue the 2022B Bonds as qualified 501(c)(3) private activity bonds under Internal Revenue Code ("Code") Section 145. Under Section 145, property financed by qualified 501(c)(3) bonds must be owned by either a nonprofit corporation or a state or local governmental unit.

Pursuant to Section 147(f) of the Code, the issuance of the 2022B Bonds by the IRFD may qualify for tax exemption only if the 2022B Bonds are approved by an "applicable elected representative" of both the governmental unit issuing the 2022B Bonds or on behalf of which the 2022B Bonds are to be issued, and a governmental unit having jurisdiction over the geographic area in which the Project is located, after a public hearing held following reasonable public notice.

Prior to issuance of Tax-Exempt 2022B Bonds, The Controller's Office of Public Finance ("OPF") will cause a notice of public hearing to appear on its website, and will hold a telephonic public hearing with respect to the issuance of the 2022B Bonds and the plan of financing of the Affordable Housing Project.

Pursuant to the Resolution, the Board of Supervisors will approve the issuance of the Bonds for purposes of Section 147(f) of the Code.

Debt Management Policy

The California Government Code requires issuers of bonds to adopt debt policies that contain certain criteria. The Resolution approves the Debt Policy of the City and County of San Francisco as the debt policy of the IRFD to the extent applicable to tax increment bonds, which are described as special limited obligations in the Debt Policy, and the internal control procedures of the City. The remaining required criteria are governed by the DDA Financing Plan and the IRFD Financing Plan.

Additional Information

The Bond Resolution is expected to be introduced at the Board of Supervisors meeting on Tuesday, March 22, 2022, and has requested to be heard at either the Budget and Finance Committee on April 13, 2022, or Government Audit and Oversight Committee on April 6, 2022.

The forms of the financing documents related to the Bonds—including the Bond Purchase Agreement, the Indentures, the Special Fund Administration Agreement, 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 Underwriters, as well as agreements regarding expenses, closing and disclosure documents.

Indentures (Facilities and Housing): The proposed Bond Resolution also approves the forms of the Indentures pursuant to which the Trustee administers and disburses bond payments. The Indentures 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.

Special Fund Administration Agreement: The proposed Bond Resolution also approves the form of Special Fund Administration Agreement for the Treasure Island Project providing for the administration of certain funds and accounts related to the IRFD and CFD established for Treasure Island and Yerba Buena Island in accordance with the DDA Financing Plan and State law. The Special Fund Trustee will administer the annual pay-go funding expected as a result of the debt service coverage on both the IRFD Tax Increment Revenue Bonds and CFD Special Tax Bonds. As directed by authorized City and TIDA representatives, funds will be disbursed in accordance with the DDA Financing Plan, State IRFD Law and the Mello-Roos Act.

Official Statement: The Official Statement provides information for investors in connection with the public offering by the IRFD of the Bonds. The Official Statement describes the Bonds, the Project, including sources and uses of funds; security for the Bonds; risk factors; the Fiscal Consultant Report and tax and other legal matters, among other information.

A *Preliminary Official Statement* is distributed to investors prior to the sale of the Bonds and, within seven days of the public offering, the *Final Official Statement* (adding certain sale results including the offering prices, interest rates, selling compensation, principal amounts, and aggregate principal amounts) is distributed to the prospective purchasers of the Bonds.

Federal securities laws impose on the IRFD the obligation to ensure that this document is accurate and complete in all material respects. This obligation applies to the individual members of the governing bodies approving the document as well as City staff charged with preparing the document. The draft Preliminary Official Statement has been submitted for your review prior to its publication.

The Board of Supervisors 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 Underwriters and financial advisor with respect to the Bonds. For purposes of the Securities and Exchange Act of 1934, the Controller's Office will certify, on behalf of the IRFD, that the Preliminary Official Statement is deemed final as of its date, except for information related to the pricing of the bonds, which will be included in the Final Official Statement.

Continuing Disclosure Certificate: The IRFD covenants to provide certain financial information and operating data relating to the Bonds (the "Annual Report") not later than 270 days 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 in order to assist the Underwriters of the Bonds in complying with the Securities and Exchange Commission Rule 15c2-12(b)(5).

Anticipated Legislative Timeline

Milestones	Dates*
• Introduction of the Bond Resolution to the Board	March 22, 2022
• Presentation to Capital Planning Committee	April 4, 2022
• Assigned Committee Hearing (Resolution)	April 2022
• TIDA Board Meeting	April 13, 2022
• Board Consideration of the Resolution	April 19, 2022
• Sale and Closing of the Bonds	May/June 2022

**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) or Luke Brewer (luke.brewer@sfgov.org) if you have any questions.

cc: Angela Calvillo, Clerk of the Board of Supervisors
Andres Powers, Mayor's Office
Tom Paulino, Mayor's Office, Liaison to the Board of Supervisors
Ashley Groffenberger, Mayor's Budget Director
Ben Rosenfield, Controller
Carmen Chu, City Administrator
Ken Bukowski, Deputy City Administrator
Harvey Rose, Budget & Legislative Analyst
Severin Campbell, Budget & Legislative Analyst
Mark Blake, Deputy City Attorney
Kenneth Roux, Deputy City Attorney

Attachment A

INCREMENTAL ASSESSED VALUATIONS & TAX INCREMENT REVENUES OF THE TREASURE ISLAND IRFD

FISCAL YEAR 2021-22

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
A	$161,280,072	$42,681,285	$203,961,357	**$1,154,181**	$163,169	$1,317,350	$201,982	$952,199	$163,169	**$1,317,350**	Yes	Yes	3
B	$47,700,000	-	$47,700,000	**$269,926**	$38,160	$308,086	-	-	-	-	Yes	No	0
C	$1,858,868	-	$1,858,868	**$10,519**	$1,487	$12,006	-	-	-	-	No	No	N/A
D	$2,523,048	-	$2,523,048	**$14,277**	$2,018	$16,296	-	-	-	-	No	No	N/A
E	$25,900,000	-	$25,900,000	**$146,563**	$20,720	$167,283	-	-	-	-	Yes	No	0
Total	**$239,261,988**	**$42,681,285**	**$281,943,273**	**$1,595,466**	**$225,555**	**$1,821,021**	**$201,982**	**$952,199**	**$163,169**	**$1,317,350**			

FISCAL YEAR 2020-21

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
A	$90,611,492	$11,474,105	$102,085,597	**$577,684**	$81,668	$659,353	$101,095	$476,589	$81,668	**$659,353**	Yes	Yes	2
B	$5,155,625	-	$5,155,625	**$29,175**	$4,125	$33,299	-	-	-	-	No	No	N/A
C	$1,839,808	-	$1,839,808	**$10,411**	$1,472	$11,883	-	-	-	-	No	No	N/A
D	$2,497,179	-	$2,497,179	**$14,131**	$1,998	$16,129	-	-	-	-	No	No	N/A
E	$991,477	-	$991,477	**$5,611**	$793	$6,404	-	-	-	-	No	No	N/A
Total	**$101,095,581**	**$11,474,105**	**$112,569,686**	**$637,012**	**$90,056**	**$727,067**	**$101,095**	**$476,589**	**$81,668**	**$659,353**			

FISCAL YEAR 2019-20

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
A	$70,090,194	-	$70,090,194	**$396,628**	$56,072	$452,700	$69,410	$327,218	$56,072	**$452,700**	Yes	Yes	1
B	$5,054,967	-	$5,054,967	**$28,605**	$4,044	$32,649	-	-	-	-	No	No	N/A
C	$1,803,733	-	$1,803,733	**$10,207**	$1,443	$11,650	-	-	-	-	No	No	N/A
D	$2,448,642	-	$2,448,642	**$13,856**	$1,959	$15,815	-	-	-	-	No	No	N/A
E	$972,038	-	$972,038	**$5,501**	$778	$6,278	-	-	-	-	No	No	N/A
Total	**$80,369,574**	**-**	**$80,369,574**	**$454,797**	**$64,296**	**$519,093**	**$69,410**	**$327,218**	**$56,072**	**$452,700**			

FISCAL YEAR 2018-19

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
A	$68,568,818	-	$68,568,818	**$388,019**	$54,855	$442,874	-	-	-	-	Yes	No	0
B	$4,883,740	-	$4,883,740	**$27,636**	$3,907	$31,543	-	-	-	-	No	No	N/A
C	$1,768,367	-	$1,768,367	**$10,007**	$1,415	$11,422	-	-	-	-	No	No	N/A
D	$2,848,093	-	$2,848,093	**$16,117**	$2,278	$18,395	-	-	-	-	No	No	N/A
E	$577,630	-	$577,630	**$3,269**	$462	$3,731	-	-	-	-	No	No	N/A
Total	**$78,646,648**	**-**	**$78,646,648**	**$445,047**	**$62,917**	**$507,965**	**-**	**-**	**-**	**-**			

FISCAL YEAR 2017-18

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			

FISCAL YEAR 2016-17 (BASE YEAR)

Secured AV & Incremental Revenue				City Tax Increment			Pledged to IRFD		Available	Total	Increment Collection & Year		
Project	Secured AV			0.565882%	0.0800%	0.645882%	17.50%	82.50%	for Bonds	IRFD	Trigger	Collection	
Area	Land	Structure	Total AV	IRFD	Coverage	Total Inc.	Housing	Facilities [1]	Coverage	Tax Inc.	Occurred	Commenced	Year
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			

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 Underwriters, and the Municipal Advisor CSG Advisors Incorporated assuming an aggregate bond issuance of $21,685,000 less than the not to exceed authorization of $30,000,000:

1. True interest cost of the Bonds: 4.92%

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): $1,035,000.

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: $20,975,000.

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: $40,615,000.

The information set forth above is based up estimates of prevailing market conditions. Actual results may differ if assumed market conditions change.