

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

## PUBLIC HEARING OF THE BOARD OF SUPERVISORS

Public Hearing to consider a Resolution to add territory to and amend the Infrastructure Financing Plan for the City's Treasure Island IRFD and its project areas and related legislation.



January 11, 2022

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

# SCHEDULE OF LEGISLATIVE EVENTS

Legislative Action	Legislation	Date
Committee (GAO)	<ul style="list-style-type: none"> <li>ROI to Amend IFP &amp; Resolution Directing IFP Amendment</li> </ul>	Thursday, October 7, 2021 ✓
<b>BOS Approval</b>	<ul style="list-style-type: none"> <li><b>ROI to Amend IFP</b></li> </ul>	<b>Tuesday, October 19, 2021</b> ✓
BOS Clerk	<ul style="list-style-type: none"> <li>ROI Mailed to each affected taxing entity, each landowner</li> </ul>	Friday, October 22, 2021 ✓
<b>BOS Approval</b>	<ul style="list-style-type: none"> <li><b>Resolution Directing IFP Amendment</b></li> </ul>	<b>Tuesday, October 26, 2021</b> ✓
Jones Hall/OPF	<ul style="list-style-type: none"> <li>"Qualified Electors" return executed election waiver</li> </ul>	Monday, November 8, 2021 ✓
OPF/Elections	<ul style="list-style-type: none"> <li>Amended IFP + CEQA Report mailed to landowners et al. &amp; made available for public inspection</li> </ul>	Wednesday, November 10, 2021 ✓
Introduction to BOS	<ul style="list-style-type: none"> <li>City Resolution Approving Amended IFP (sent to 12/2 GAO)</li> </ul>	Tuesday, November 16, 2021 ✓
	<ul style="list-style-type: none"> <li>Resolution Proposing Amendment of IFP (sent to 1/11 Hearing)</li> </ul>	
	<ul style="list-style-type: none"> <li>Resolution Calling Election (sent to 1/11 Hearing)</li> </ul>	
	<ul style="list-style-type: none"> <li>Resolution Declaring Election Results (sent to 1/11 Hearing)</li> </ul>	
<ul style="list-style-type: none"> <li>Ordinance Approving Amended IFP (sent to 1/11 Hearing)</li> </ul>		
Committee (GAO)	<ul style="list-style-type: none"> <li>Resolution Approving Amended IFP (sent to 12/14 BOS)</li> </ul>	Thursday, December 2, 2021 ✓
BOS Clerk	<ul style="list-style-type: none"> <li>Publish 1/11 Public Hearing Notice - weekly for 4 successive weeks</li> </ul>	12/12, 12/19, 12/26, 1/2 ✓
<b>BOS Approval</b>	<ul style="list-style-type: none"> <li><b>Resolution Approving Amended IFP</b></li> </ul>	<b>Tuesday, December 14, 2021</b> ✓
-	<ul style="list-style-type: none"> <li>60 Days from IFP Mailing</li> </ul>	January 9, 2021 ✓
BOS Public Hearing	<p><b>Public Hearing on IFP &amp; Committee of the Whole to hear:</b></p> <ul style="list-style-type: none"> <li>Resolution Proposing Amendment of IFP (for 1/11 BOS approval)</li> <li>Resolution Calling Election (for 1/11 BOS approval)</li> <li>Resolution Confirming Election Results (sent to 2/1 BOS approval)</li> <li>Ordinance Approving Amended IFP (sent to 2/1 BOS 1<sup>st</sup> Reading)</li> </ul>	Tuesday, January 11, 2022
BOS Approval	<ul style="list-style-type: none"> <li>Resolution Proposing Amendment of IFP &amp; Reso Calling Election</li> </ul>	Tuesday, January 11, 2022
Elections	<ul style="list-style-type: none"> <li>Mail Ballot Election</li> </ul>	Monday, January 17, 2022
BOS Approval	<ul style="list-style-type: none"> <li>Resolution Declaring Election Results</li> </ul>	Tuesday, February 1, 2022
BOS 1st Hearing	<ul style="list-style-type: none"> <li>Ordinance Approving Amended IFP</li> </ul>	Tuesday, February 1, 2022
BOS 2nd Hearing	<ul style="list-style-type: none"> <li>Ordinance Approving Amended IFP</li> </ul>	Tuesday, February 8, 2022



# Public Hearing for the Treasure Island IRFD Amendments

## LEGISLATION TO BE HEARD & CONSIDERED BY THE BOARD

### 17. Resolution Proposing Adoption of Amended IFP and adding territory

- Similar to the City's approved Resolution approving addition of territory to and adoption of amendments to the IFP for the Treasure Island IRFD (which had to be approved by the Board, acting as legislative body for the City, prior to the Public Hearing), except for that this Resolution is specifically a Resolution of the Treasure Island IRFD, a separate legal entity, of which the Board is the legislative body and is acting in its capacity as such on all of this legislation. This Resolution is the culmination of the Public Hearing.

### 16. Resolution Calling Special Election

- All prior actions by the Board lead to calling a Special Election for the final approval of the Amended IFP.
- The electorate are the landowners in the IRFD as there are no registered voters, per State IRFD Law.
- The landowners (Developers) for the Treasure Island IRFD have been fully involved and supportive of the amendment process – they have submitted waivers to typical Election law requirements to expedite the voting process regarding timing and ballots).

### 18. Resolution Declaring Results of Special Election (*continued to Feb. 1<sup>st</sup>*)

- The Special Election requires that the ballots be received by mail with affidavit no later than January 17th, which the Director of Elections will then canvass and deliver the results to the Board. Ballots have already been sent to the Landowners pursuant to the Landowner's Waivers.

### 19. Ordinance Approving Amended IFP and adding territory (*continued to Feb. 1<sup>st</sup>*)

- Should the Special Election receive at least a 2/3rds vote it shall pass and the final step by the Board would be to pass the Ordinance which makes the Amended IFP law and annexes the proposed new territory into the IRFD.



# Infrastructure & Revitalization Financing Districts (IRFDs)

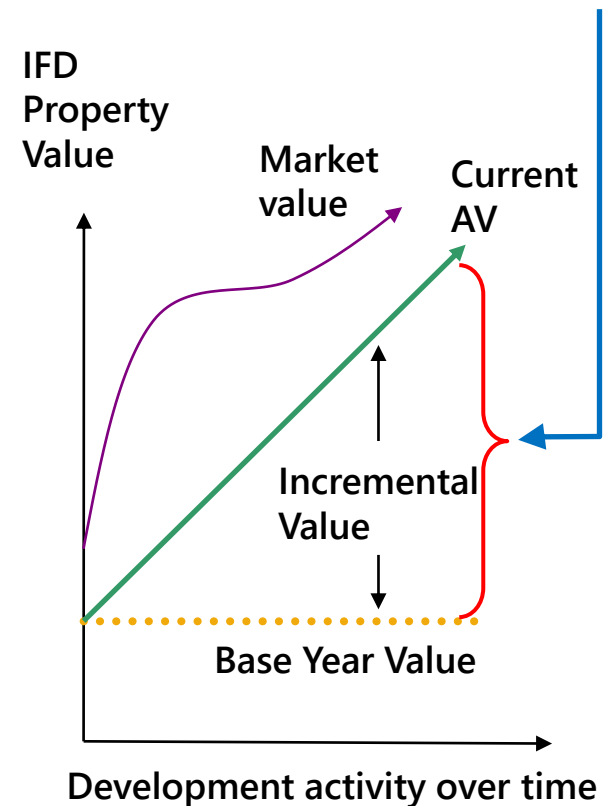
## REDEVELOPMENT 2.0

- Pledge of incremental property taxes (“Tax Increment”) within a specific and limited geographic area & sub-areas (the “District” & “Project Areas”) to finance specific infrastructure and affordable housing costs related to the development in the District (“Project Costs”), similar to OCII
  - Affordable Housing as an eligible cost is specific to IRFDs, and not IFDs
- IRFD Tax Increment can be used for the repayment of bonds which finance Project Costs and/or direct funding of Project Costs on a “pay-as-you-go” basis (“Pay-go”)
- Share of 1% property tax revenues of city, county or special district **that opts in**, schools are explicitly excluded
- No tax increment revenue until growth occurs; assessed values lag development activity
- Tax increment revenues decline if assessed values decline
- Typically, a very concentrated tax base at IRFD formation (limited landownership, allows for a landowner special election to legally form)

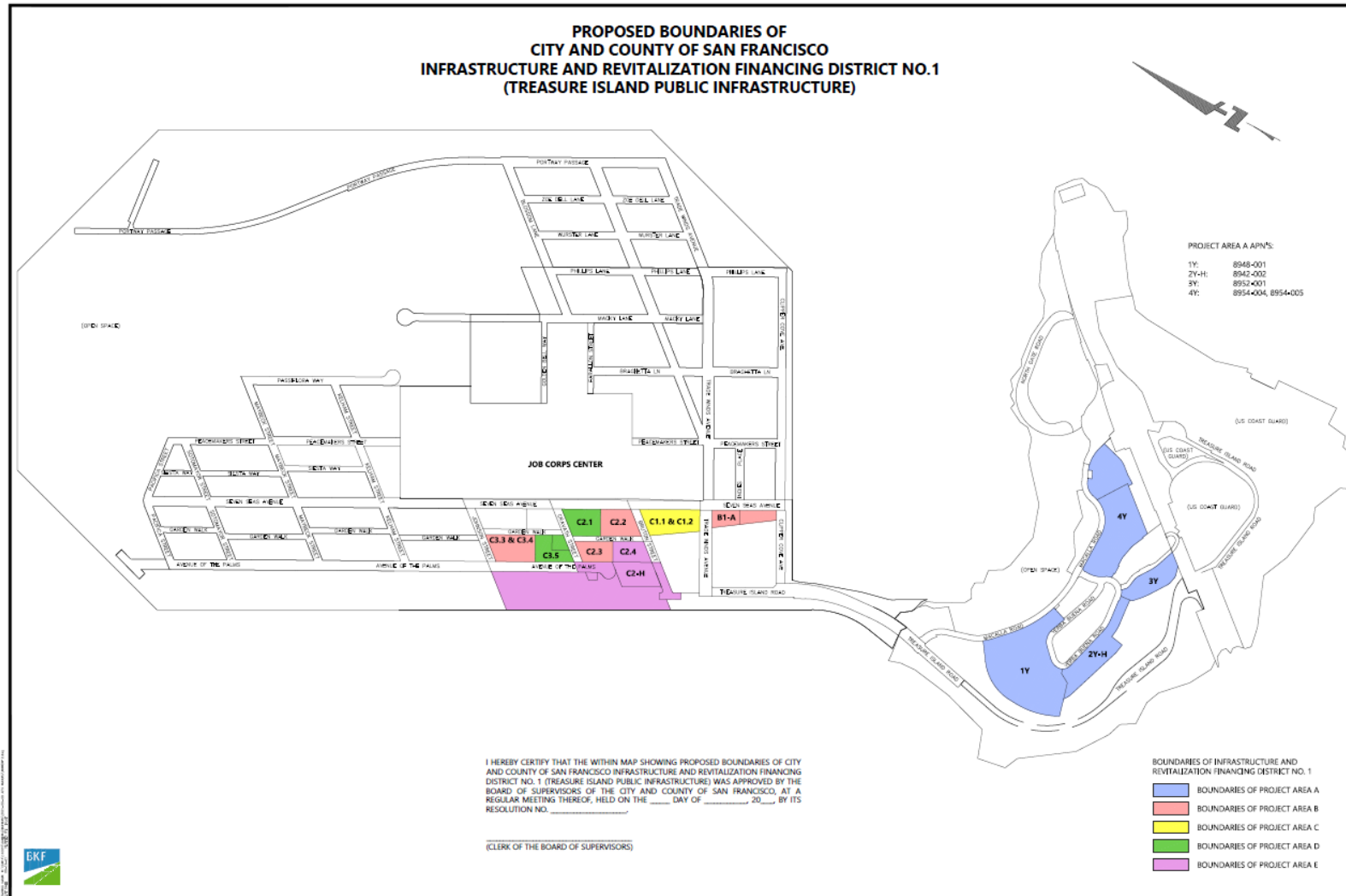
## IRFDS ARE TYPICALLY USED

- In combination with other tools, like a CFD
- By municipalities with large share of 1% property tax roll
- In areas with significant growth potential, such as previously federally owned lands used as military bases, with limited initial landownership

*Potential revenues = participating taxing entities' % share of 1% of incremental value*



# Map of the Treasure Island IRFD (Proposed Amended)



# Milestones for Development & Public Financing for Treasure Island IRFD/CFD

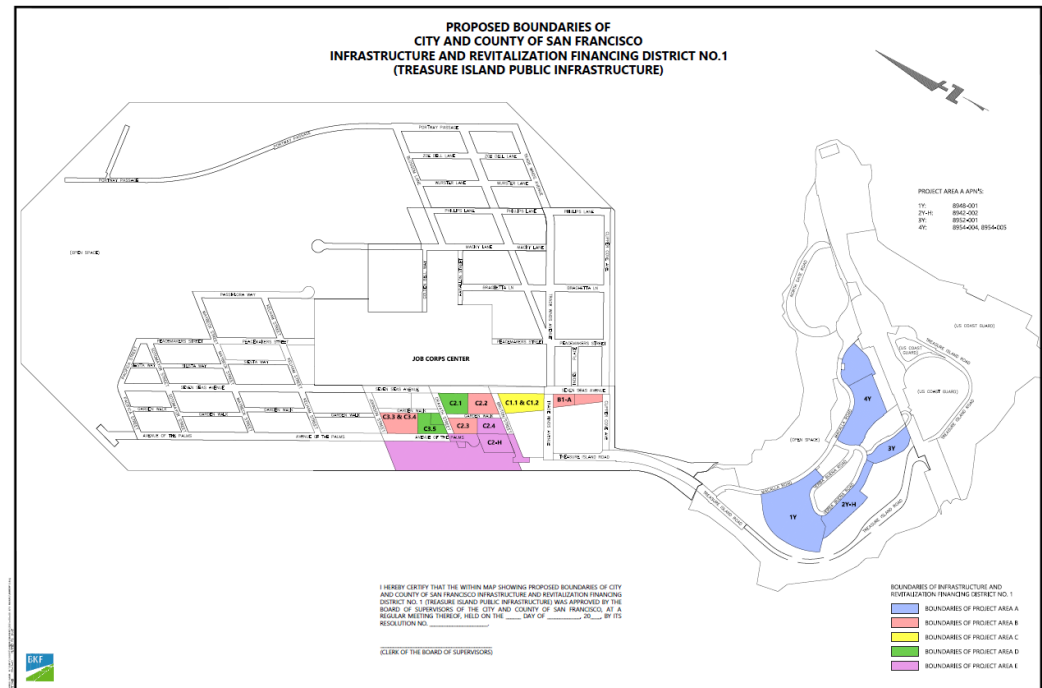
- **June 2011** – Disposition and Development Agreement signed
- **January 2017** – Treasure Island IRFD and Community Facilities District (CFD) formed
- **June 2019** – First building permits issued on Yerba Buena Island (YBI)
- **Dec. 2019/April 2020** – 1<sup>st</sup> year of tax increment collected in the IRFD (Project Area A – YBI)
- **October 2020** – First CFD bond issuance of \$17.135 million
- **July 2021** – Second CFD bond issuance of \$41.34 million
- **September 2021** – Resolutions to Amend the IFP of the IRFD Introduced
- **November 2021** – Third CFD bond issuance approved by BOS - sale of bonds expected January 2022 (not to exceed \$25.13 million)
- **January/February 2022 (Proposed)** – Public Hearing on Amendments to the IFP of the IRFD, Special Landowner Election Approving Amendments & other BOS Actions
- **April/May 2022 (Anticipated)** – 1<sup>st</sup> Bond Sale for the IRFD ~\$15 million
- **Dec. 2022/April 2023 (Anticipated)** – 1<sup>st</sup> year of tax increment collected in Project Area B



# Overview of the Treasure Island IRFD

- City has pledged a portion of the City's portion of ad valorem property taxes on properties within the IRFD (56.588206%)
- Tax Increment and tax increment bonds will:
  - **82.5%** will reimburse Treasure Island Community Development ("TICD") for eligible developer public infrastructure costs
  - **17.5%** will provide funding for affordable housing
  - Pay for administrative costs of the IRFD

MAP OF THE TREASURE ISLAND IRFD (Proposed Amended)

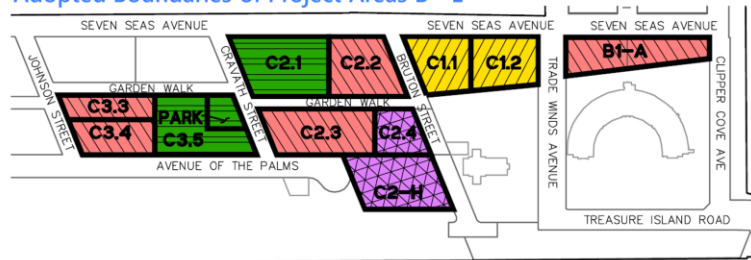


# Proposed IFP Amendments for the Treasure Island IRFD

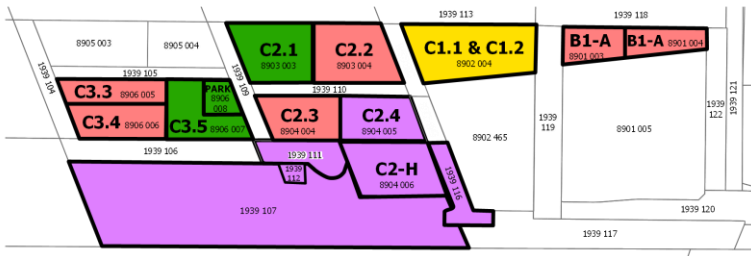
## AMENDMENTS REQUIRED FOR THE IRFD'S 40+ YEARS OF ADMINISTRATION

### 1. Changes in Project Area Boundaries

Adopted Boundaries of Project Areas B - E



Proposed Amended Boundaries of Project Areas B - E



### 2. Allowances for Future Amendments to the IFP Regarding Project Area Boundaries

### 3. Restatement of the Distribution of 1% Property Tax Rate Among Tax Agencies

DISTRIBUTION OF 1% PROPERTY TAX RATE IN CITY AND COUNTY OF SAN FRANCISCO

		Adopted IFP	Proposed Amended IFP
<b>City Portion</b>			
City Pledged Portion	IRFD	56.69%	56.588206%
City Portion Not Dedicated to IRFD but Pledged as Conditional City Increment	General Fund (unless needed by the IRFD as set forth in the DDA Financing Plan)	8.00%	8.000000%
<b>Total City Portion</b>		<b>64.69%</b>	<b>64.588206%</b>
<b>ERAF Portion</b>			
Education Revenue Augmentation Fund		25.33%	25.330113%
<b>Other Taxing Agencies</b>			
San Francisco Unified School District		7.70%	7.698857%
San Francisco Community College Fund		1.44%	1.444422%
<b>San Francisco County Office of Education</b>			<b>0.097335%</b>
Bay Area Rapid Transit District		0.63%	0.632528%
Bay Area Air Quality Management District		0.21%	0.208539%
<b>Total Other Taxing Agencies</b>		<b>9.98%</b>	<b>10.081681%</b>
<b>Total</b>		<b>100.00%</b>	<b>100.000000%</b>

### 4. Elimination of Election Requirements if State IRFD Law is changed





# QUESTIONS

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