

Treasure Island and Yerba Buena Island Development Project

BUDGET & FINANCE COMMITTEE | APRIL 17, 2024



Bob Beck | TIDA
Director

AnMarie Rodgers | TIDA
Deputy Director

Jamie Querubin | TIDA
Finance Manager

Leigh Lutenski | OEWD
*Deputy Director, Joint
Development*

Maintaining Momentum and Building on Success



Building Phase I



Key Program Elements of Phase 1

- 2,000 residential units (991 units complete or in construction)
- 16 acres of parks
- Ferry service to downtown SF
- Marina and water access
- 10,000 square feet of retail space

Infrastructure



Photo: TICD

\$2.5B Total Project Cost

- Geotechnical improvements
- New roadways, utilities, reservoirs
- New Utility Infrastructure
- Geotechnical Improvements
- Sea Level Rise Adaptation
- Community facility, transit, and housing subsidies

Housing Production

229 units complete
+ 745 units under construction now, complete by 2025
1,000 units!!



Treasure Island

- **Maceo May, 105 units affordable housing, complete & occupied**
- Starview Court, 138-unit affordable housing, anticipated June 2024
- Isle House, 250-units, anticipated completion July 2024
- Hawkins, 178-units, anticipated completion late 2024
- Parcel C3.4, 148-unit under construction, completion Q1 2025

Yerba Buena Island

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

Parks

Treasure Island & Yerba Buena Island will add the most parkland to SF since Golden Gate Park. Of the 300 acres planned:

- The Rocks Dog Park, OPEN!
- Clipper Cove Beach, OPEN!
- Panorama Park, City Accepted Grand Opening on May 11
- Signal Park, , City Accepted Grand Opening In May
- Cityside Park's Waterfront Landing is nearly complete & expected to open this summer
- Cultural Park & Chapel construction to start this year



Photo: TICD

Guiding Policy Objectives for Amendments

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



Photo: TICD

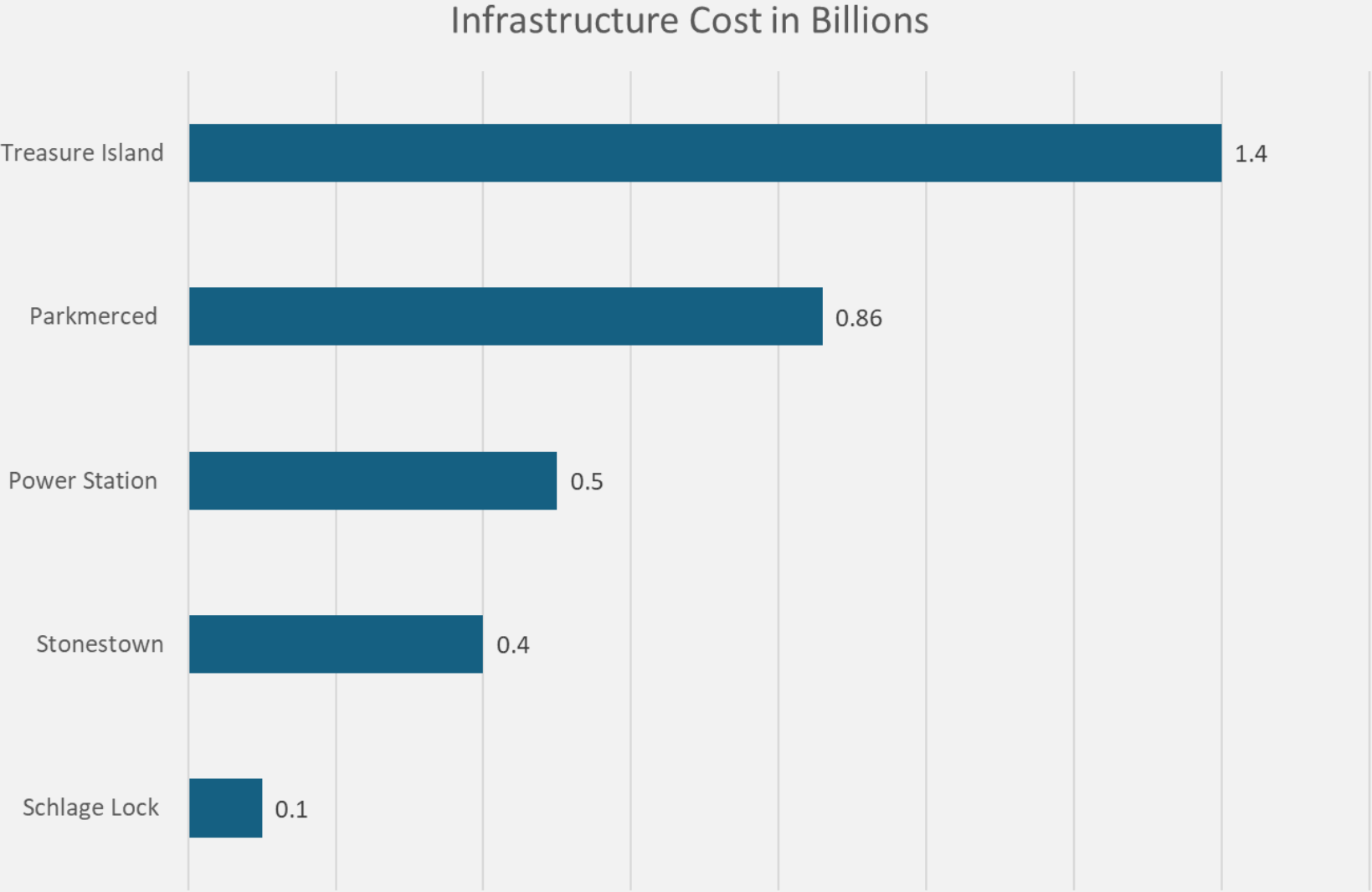


DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) AMENDMENT



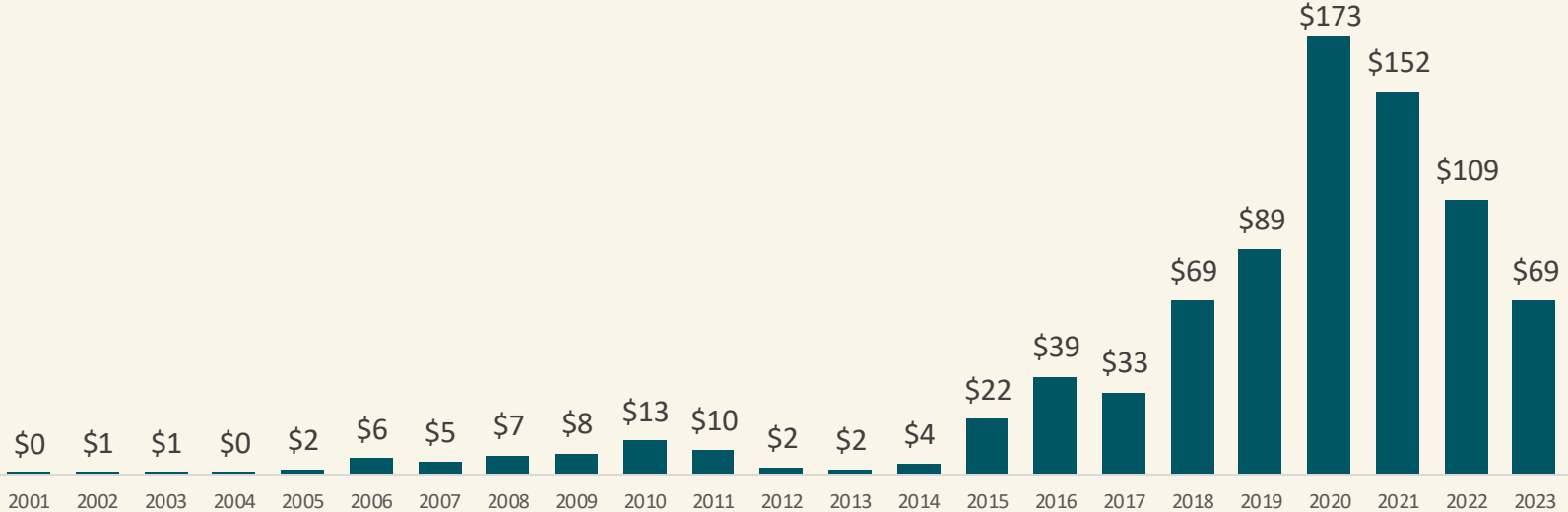
Investing in Treasure Island

Large Project Infrastructure Costs



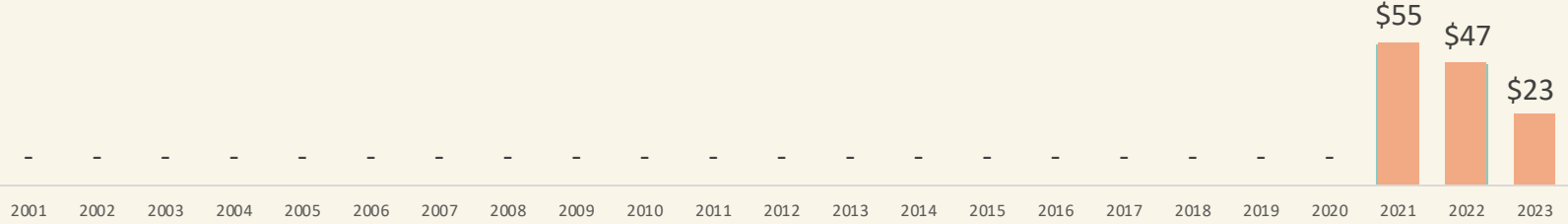
Infrastructure Investment vs. Reimbursement

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



\$814 M
as of 2023

Municipal Bond Proceeds In Millions



\$125 M
as of 2023



**Stage 2
Treasure Island**
Total units: ~1,300

**Stage 1
Treasure Island + YBI**
Total units: ~2,000
Units built or under
construction: ~1,000

DDA Financing Plan Amendment

- Accelerate \$115M of public financing in the form of Certificates of Participation (COPs) to fund required developer reimbursements for Stage 2 infrastructure costs. The total cost for Stage 2 is \$204M.
- COPs would be issued more quickly and expedite developer reimbursement in lieu of the project's other public financing sources, the Treasure Island special taxes or tax increment.
- The proposed Treasure Island COPs would be advanced in three separate issuances (FY 25-27), all of which would be appropriated in separate actions by the Board of Supervisors.
- TIDA completed a fiscal impact analysis to demonstrate that future tax growth generated by the Treasure Island development will provide sufficient revenues to fund COP payments over time.
- This strategy will enable the mobilization and construction resources from Stage 1 to move into work on Stage 2 next year.

DDA Financing Plan Amendment

Risk Mitigation Strategies

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

Actions

- **Amended and Restated Disposition and Development Agreement approval** (Board File 240202)
- **Development Agreement approval** (Board File 240198)



A scenic view of a modern waterfront development. In the foreground, a paved walkway with a metal railing leads down to a sandy beach. A man and a child are playing in the sand. The beach is bordered by a marina with several sailboats. In the background, several modern high-rise buildings are visible under a blue sky with white clouds. A large teal banner with the text "Thank you !" is overlaid on the image.

Thank you !