

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

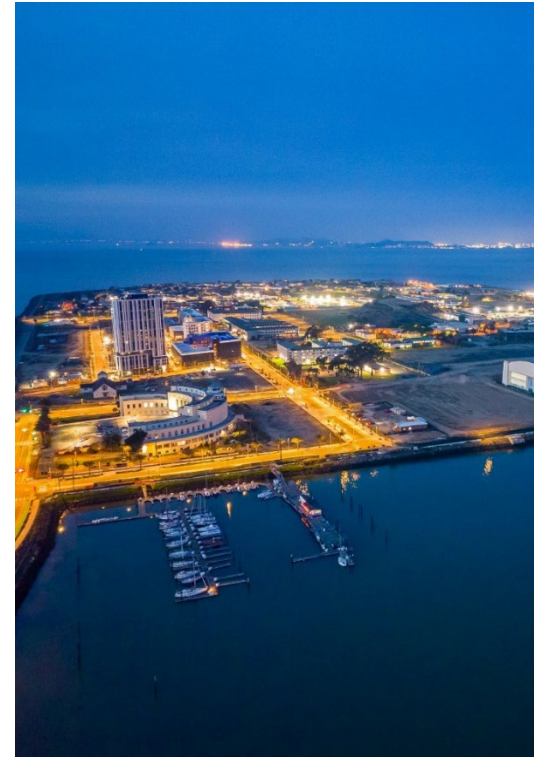
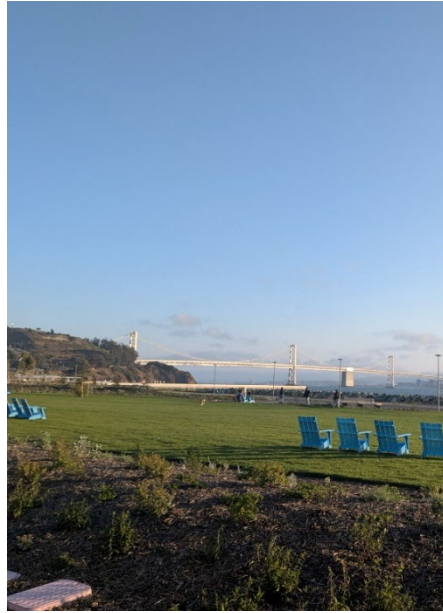


The Treasure Island Project

- 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?