

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)

OFFICIAL BALLOT
SPECIAL ELECTION

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Director of Elections of the City and County of San Francisco no later than the hour of 3:00 p.m. on January 24, 2017, either by mail or in person. The office of the Director of Elections is located at 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California 94102-4689.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

BALLOT MEASURE NO. 1: Shall the Board of Supervisors form "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)," including project areas therein (the "IRFD") as proposed in the Board of Supervisors resolution entitled "Resolution proposing adoption of infrastructure financing plan and formation of City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein; providing for future annexation; and determining other matters in connection therewith" adopted on January 24, 2017 (the "Resolution Proposing Formation")?

YES: X
NO:

BALLOT MEASURE NO. 2: Shall the Board of Supervisors approve the infrastructure financing plan for the IRFD and the Project Areas, as proposed for approval by the Board of Supervisors in the Resolution Proposing Formation?

YES: X
NO:

BALLOT MEASURE NO. 3: Shall the annual appropriations limit of the IRFD be established in the amount of \$192 million, as set forth in the Resolution Proposing Formation?

YES: X
NO:


BALLOT MEASURE NO. 4: Shall the City and County of San Francisco be authorized from time to time to issue one or more series of bonds and other debt ("Bonds") for the IRFD in the maximum aggregate principal amount of (i) \$780 million plus (ii) the principal amount of Bonds approved by this Board of Supervisors and the qualified electors of annexation territory in connection with each annexation of annexation territory to the IRFD, so long as the Board makes the finding specified in Section 53369.41(f) of the IRFD Law, all as set forth in the Board of Supervisors resolution entitled "Resolution of Intention to issue bonds for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and determining other matters in connection therewith," with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such series of Bonds; the proceeds of which Bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing each series of the Bonds and related expenses?

YES: X
NO:

Assessor's Parcel Number(s): 8949-001, 8904-003
Acreage: 3.75
Number of Votes: 4
Name of Property Owner: Treasure Island Development Authority, a California nonprofit public benefit corporation

Property Owner:

TREASURE ISLAND DEVELOPMENT AUTHORITY
a California nonprofit public benefit corporation

By: 
Name: Robert P. Beck
Title: Treasure Island Director

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YES: _____ ✓
NO: _____

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YES: _____ ✓
NO: _____

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YES: ✓
NO:

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YES: ✓
NO:

Assessor’s Parcel Number(s): 8948-001, 8952-001, 8954-001, 8901-001, 8903-002, 8904-001, 8906-001, 8906-002, 8902-001, 8902-002, 8903-001, 8906-003, 8906-004, 8904-002

Acreage: 22.14

Number of Votes: 23

Name of Property Owner: Treasure Island Series 1, LLC, a Delaware limited liability company

Property Owner:

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

By:  _____

Name: Jonathan M. Jaffe

Its: Vice President

By:  _____

Name: Christopher Meany

Title: Authorized Signatory

CANVASS AND STATEMENT OF RESULT OF ELECTION

**CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 1
(Treasure Island)**

I hereby certify that on January 24, 2017, I canvassed the returns of the election held on January 24, 2017, in City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD") and the total number of ballots cast in the IRFD and the total number of votes cast for and against the measures are as follows and the totals as shown for and against the measures are full, true and correct:

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Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
27	<u>27</u>	<u>27</u>	_____

BALLOT MEASURE NO. 2: Shall the Board of Supervisors approve the infrastructure financing plan for the IRFD and the Project Areas, as proposed for approval by the Board of Supervisors in the Resolution Proposing Formation?

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27	<u>27</u>	<u>27</u>	_____

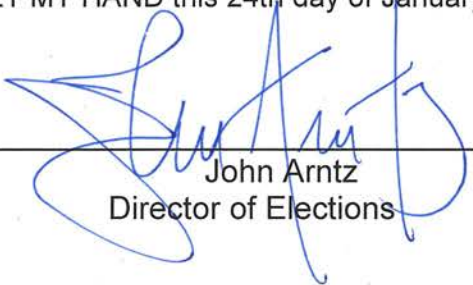
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Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
27	<u>27</u>	<u>27</u>	_____

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 24th day of January, 2017.

By:  _____
 John Arntz
 Director of Elections

Treasure Island Development Program

Infrastructure and Revitalization Financing District

January 24, 2017





ANGEL
ISLAND

TREASURE ISLAND

OAKLAND

YERBA BUENA
ISLAND

SAN FRANCISCO

San Francisco, CA

Treasure Island Development Program

- Treasure Island Development Authority was formed in 1997 to oversee the transition of the former Naval Station Treasure Island to civilian use
- Treasure Island Community Development selected as development partner in 2003
- Program envisioned to utilize California redevelopment law to provide financing of affordable housing and public infrastructure until Governor Brown announced dissolution of redevelopment as part of his proposed FY 11/12 budget
- Financing Plan restructured to utilize a combination of incremental local property taxes and Community Facilities District Special Taxes
- Transaction and Entitlement Documents approved in June 2011

Treasure Island Development Program

Development Program



Up to 8,000 homes
(2,173 Affordable)



Up to 500 Hotel Rooms

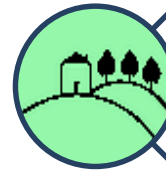


Up to 450,000sf Retail &
Historic Reuse



Up to 100,000sf Office

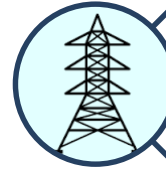
Public Benefits



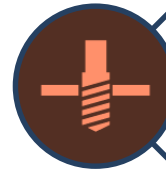
300 acres of open space
(capital and O&M)



Transit equipment, facilities and
operating subsidy



New utilities, streets, police & fire
station, community facilities, and
other public infrastructure



Geotechnical improvements

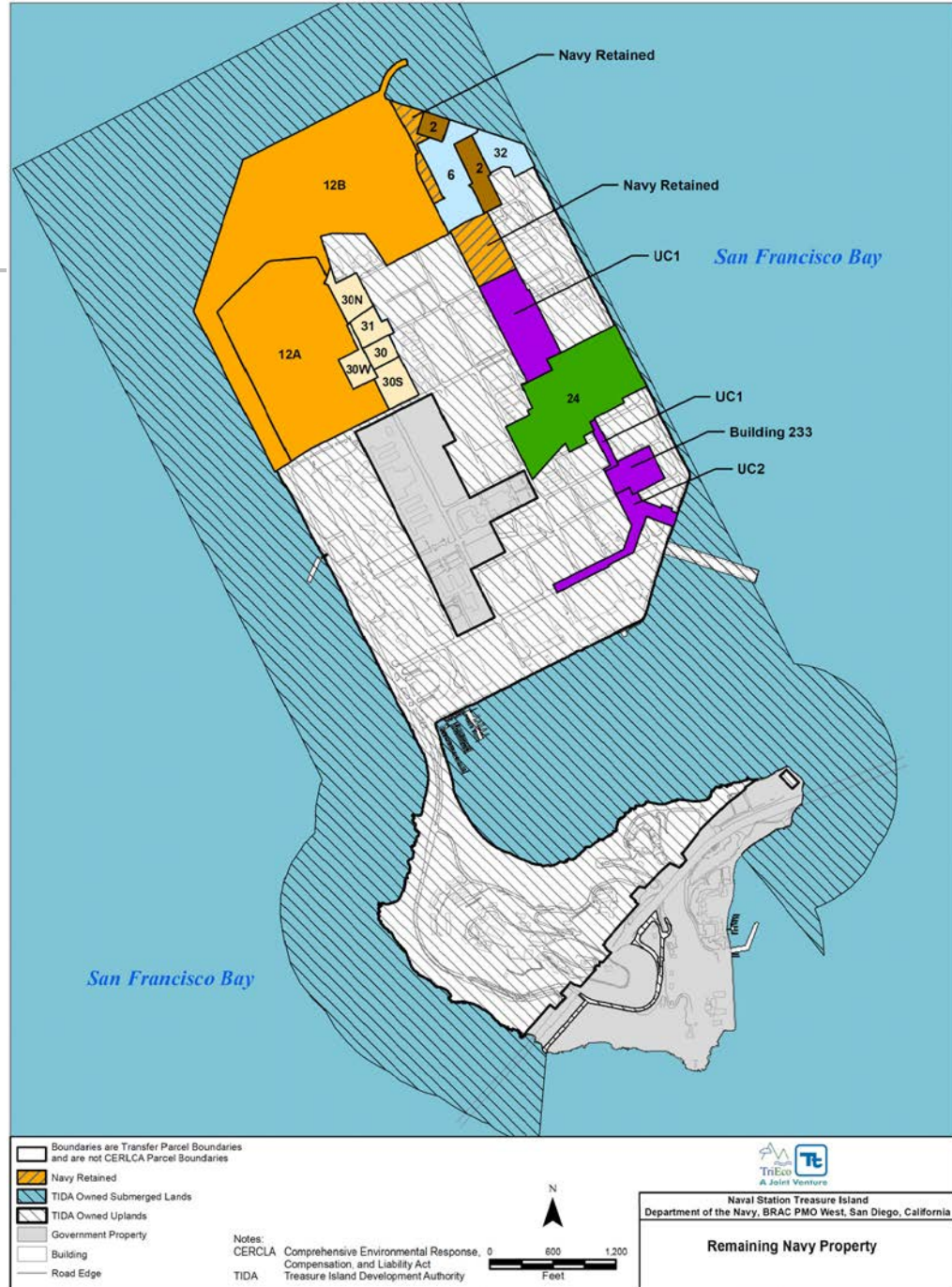


Sea level rise adaptations
(present & future)




Property Transfer

- Initial property transfer from the Navy in May 2015
- Second transfer in Sept 2016
- Four additional transfers over the next 18 months
- Final transfer in early 2022



Parcel	FOST	Date
Parcels Building 233, UC 1 & UC 2	6	Pending
Parcels 30, 30N, 30S, 30W & 31	7	01/31/2017
Parcels 6 & 32	8	07/31/2017
Parcel 24	9	01/30/2018
Parcel 2	10	12/31/2020
Parcels 12A, 12B & Navy Retained Sites	11	12/31/2021



 Naval Station Treasure Island

 Department of the Navy, BRAC PMO West, San Diego, California

Remaining Navy Property

Access Improvements

- SFCTA opened new westbound on & off ramps on October 22nd
- Caltrans East Span bike path open on weekends



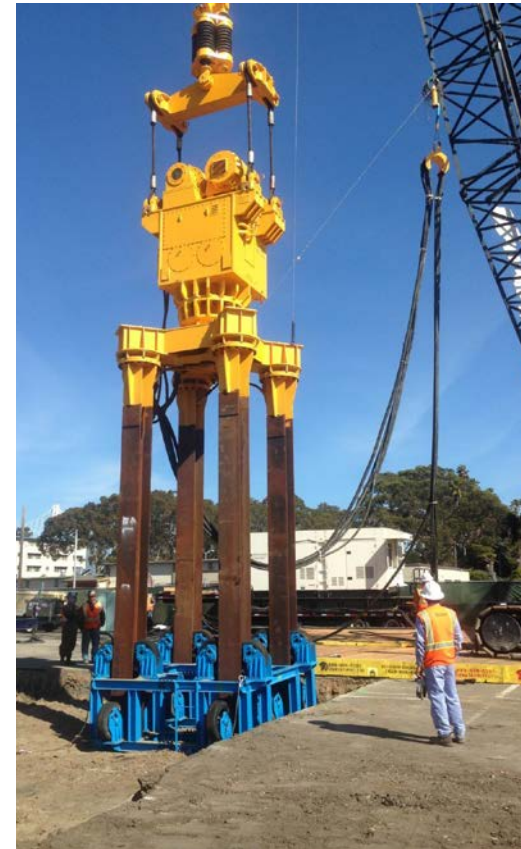
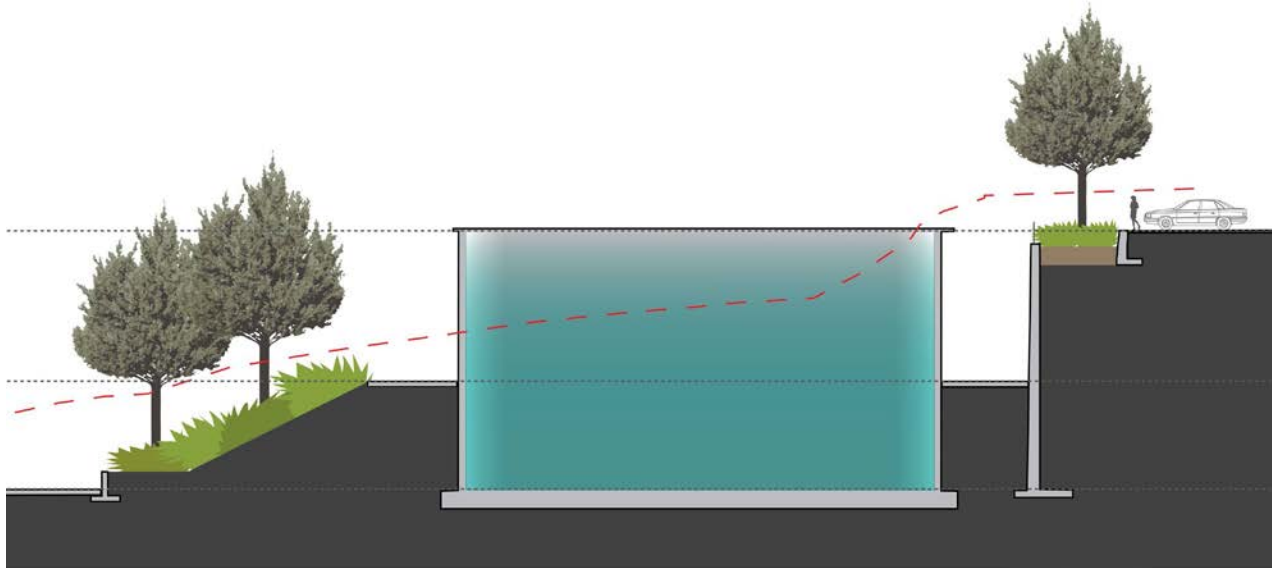
Demolition

- First subphase development parcels transferred to TICD in February 2016
- Demolition on Yerba Buena Island complete
- Demolition on Treasure Island underway

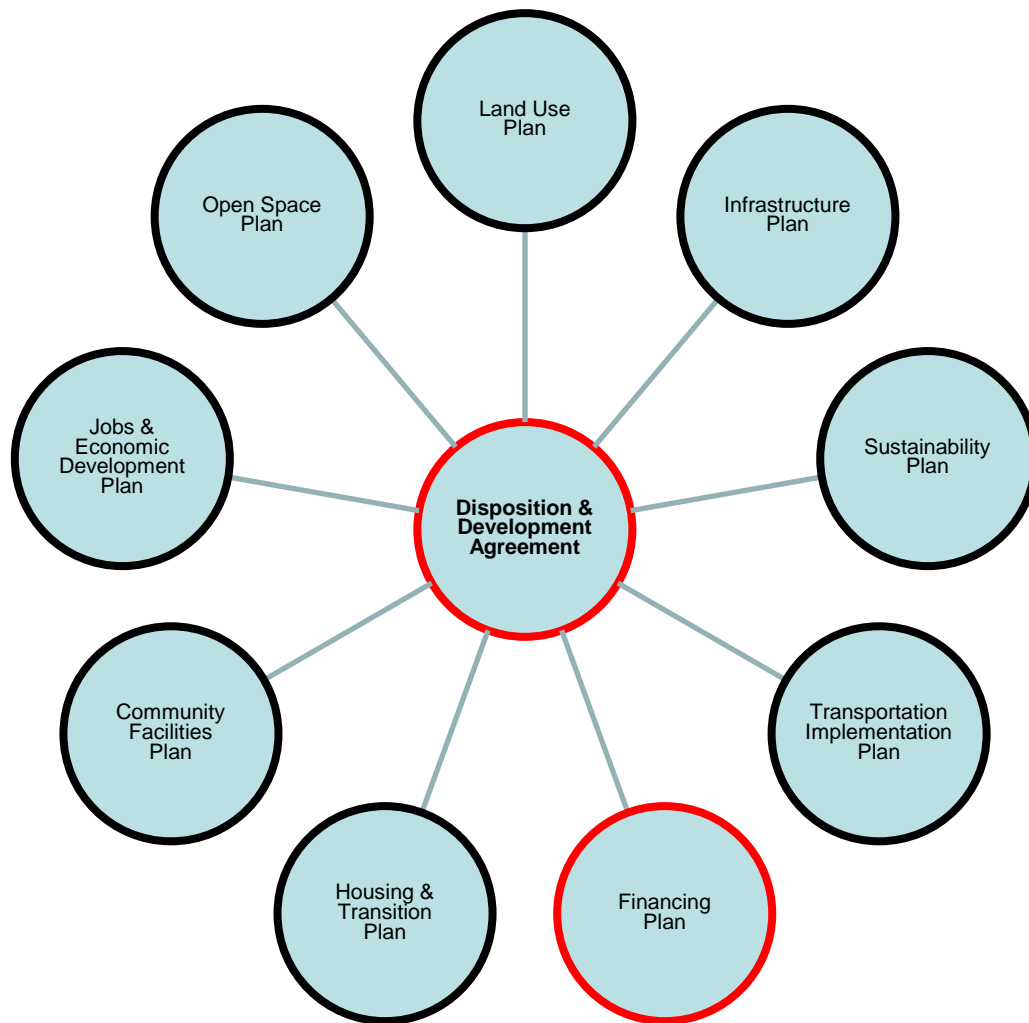


Construction Activity

- Initial infrastructure contracts awarded, bid, or advertised
 - Water reservoir design/build
 - Yerba Buena utility/right-of-way infrastructure
 - Geotechnical & causeway reconstruction
 - Treasure Island utility/right-of-way infrastructure
 - Tree removal/relocation/preservation



Transaction and Entitlement Documents



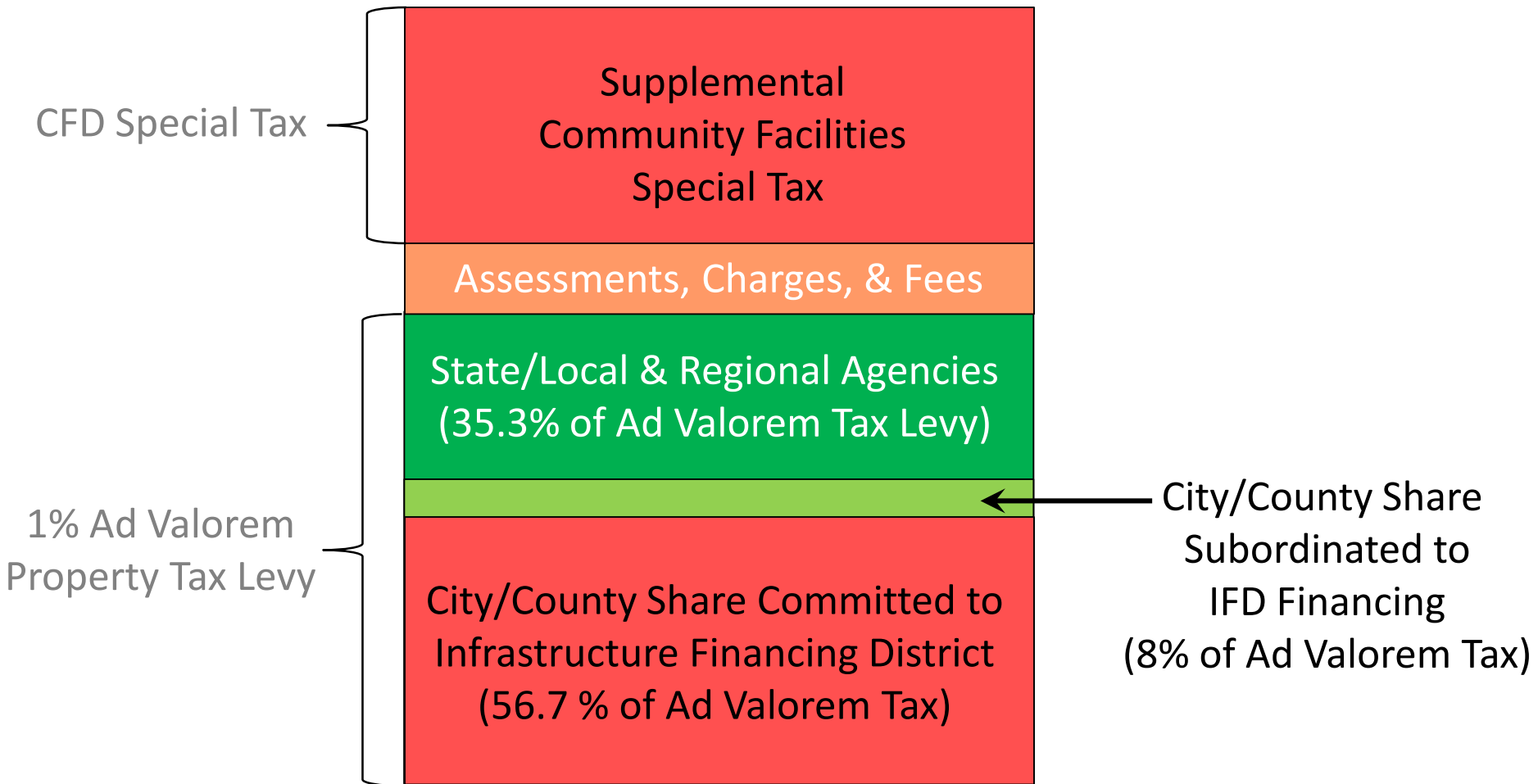
Other Project Documents

- Development Plan
- Development Agreement
- Design for Development
- Trust Exchange Agreement
- Design Review and Document Approval Procedure
- Interagency Cooperation Agreement
- Technical Memoranda
- Navy Conveyance Agreement

DDA and Financing Plan

- TICD to finance and construct public and private improvements
- City to provide public financing for reimbursement of eligible public improvements delivered by TICD
 - Forming Infrastructure and Revitalization Financing District(s) under State of California Government Code to pay for Qualified Project Costs
 - Forming Community Facilities District(s) under the Mello-Roos Community Facilities Act of 1982 to pay for Qualified Project Costs, On-going Park Maintenance and Additional Community Facilities
 - No recourse to the General Fund for developer reimbursements
- With development activities accelerating, we need to establish these Financing Districts to provide for reimbursements
 - Have been working with TICD, Office of Public Finance and outside consultants to prepare for formation over the past 24 months

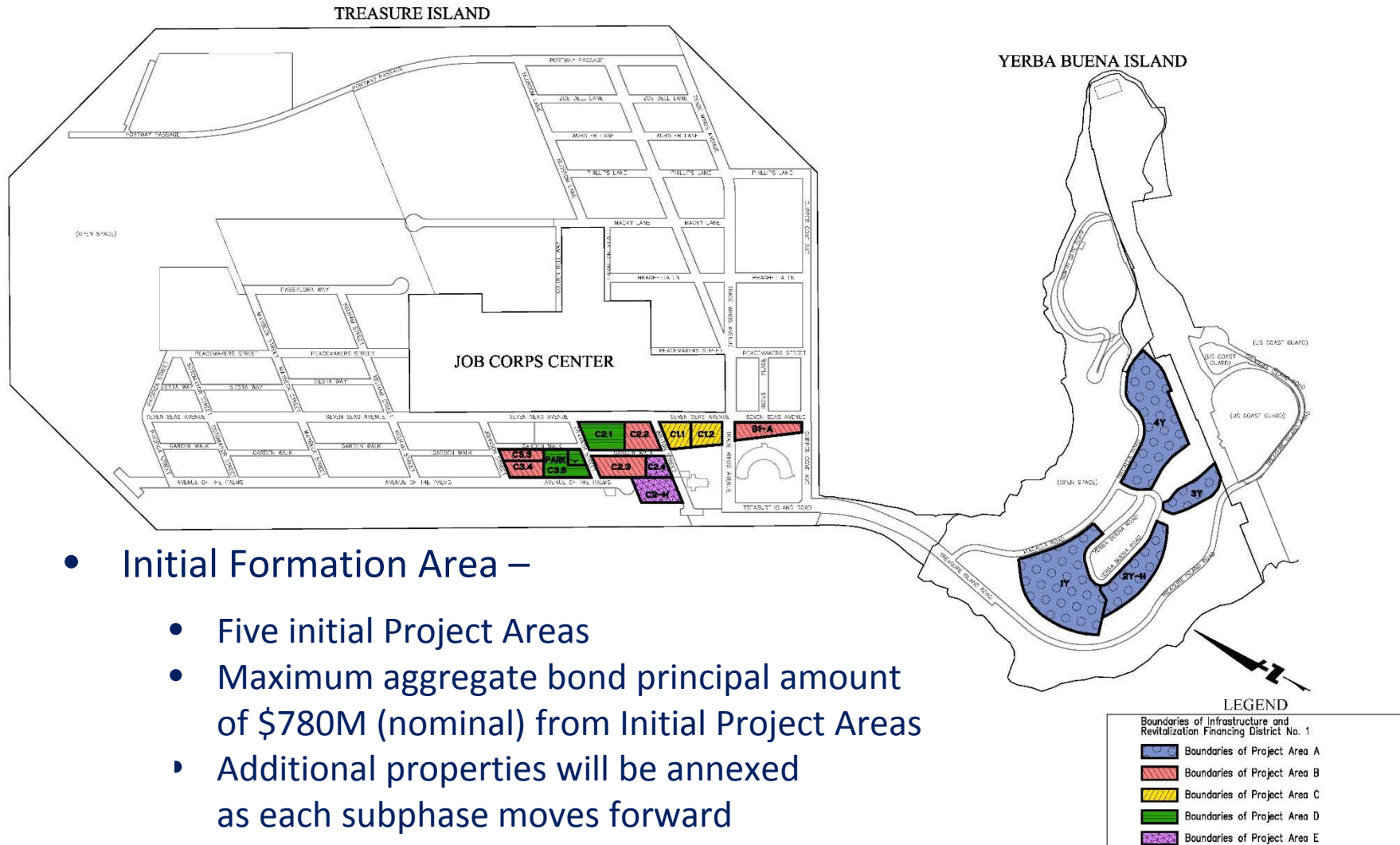
IRFD and CFD Collections



Infrastructure and Revitalization Financing District

- Property Tax Increment Financing
 - Financing Plan commits 56.69% out of 64.69% in property tax collected by CCSF to project financing
 - Additional 8% subordinated to project financing
- Tax Increment committed for a fixed period (40 years)
- May finance infrastructure with community-wide significance and a useful life of fifteen years or more
- May finance affordable housing, but may not finance services
 - 17.5% of IRFD proceeds committed to affordable housing
- Fiscal Analysis shows that General Fund revenues arising from development will exceed project–necessitated General Fund expenditures

Infrastructure and Revitalization Financing District



- Initial Formation Area –
 - Five initial Project Areas
 - Maximum aggregate bond principal amount of \$780M (nominal) from Initial Project Areas
 - Additional properties will be annexed as each subphase moves forward

Infrastructure and Revitalization Financing District Formation

- Government Code 53369 prescribes the processes for the formation of Infrastructure and Revitalization Financing Districts (IRFDs)
- December 6th Board of Supervisors Approvals
 - 0503-16: Resolution of Intention to Establish the IRFD
 - 0504-16: Resolution Authorizing the Preparation of an Infrastructure Financing Plan (IFP)
 - 0505-16: Resolution of Intention to Issue Bonds
 - 0512-16: Resolution approving the IFP

December 6th Resolution of Intention

Affordable Housing Provisions

- The Mayor deems the development of additional affordable housing at Treasure Island a priority and the Mayor's Office of Housing and Community Development has programmed for future investment of more than \$250 million, beginning with \$4 million in Fiscal Year 2018, and \$30 million or more over the next ten years
- City will pursue State legislation increasing IRFD term to 45 years and other legislative changes including a pledge of the State share of property tax increment
- TIDA will submit a report to the Board every six months on the status of affordable housing funding and construction
- If unsuccessful in securing changes in State legislation or otherwise making significant progress in meeting affordable housing funding needs, TIDA shall request the Capital Planning Committee approve a Citywide Affordable Housing General Obligation Bond be placed on the November 2024 ballot - including support for Treasure Island

Actions Before the Board Today

Formation of an Infrastructure Revitalization and Financing District (IRFD)

- Public hearing
- Resolution proposing the formation of the IRFD
- Resolution calling for a special election
- Special Election of the property owners
- Resolution confirming election results
- Ordinance adopting the Infrastructure Financing Plan
- Resolution authorizing bond issuance

Next Steps

- City will file a judicial validation action (Code of Civil Procedure 860 et seq.) to confirm the validity of the IRFD, the IFP, the allocation of tax increment to the IRFD and the IRFD bonds
- Bond Counsel recommends a judicial validation action for the IRFD because IRFDs are a new, post-redevelopment financing tool and legal certainty regarding its use as a financing tool is necessary
- Resolution authorizing bond issuance only sets the not-to-exceed limit for the initial project areas
 - Office of Public Finance and TIDA will return to the Board of Supervisors prior to each bond issuance

Discussion