Treasure Island and Yerba Buena Island Development Project

BUDGET & FINANCE COMMITTEE | APRIL 17, 2024

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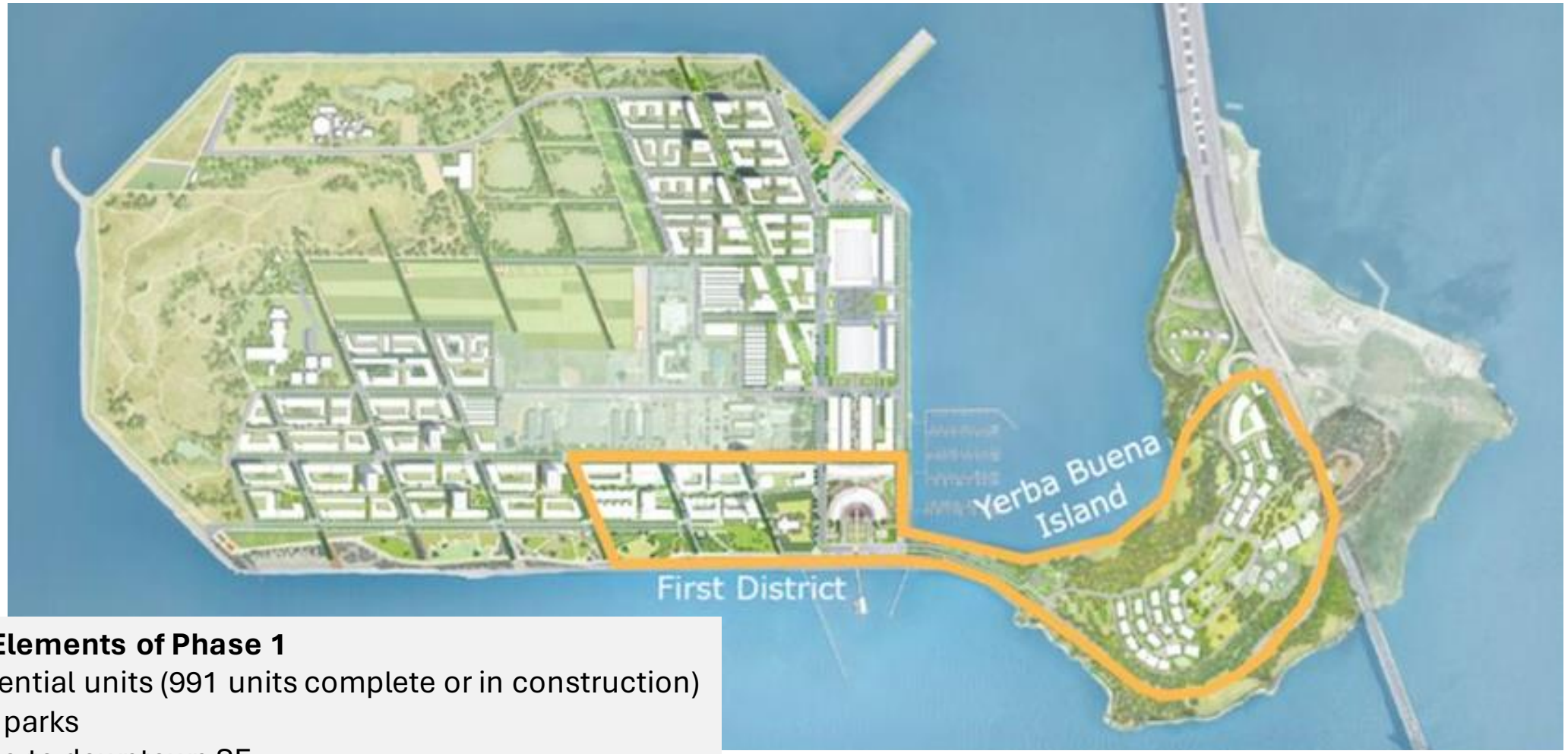
Maintaining Momentum and Building on Success

Treasure Island/Yerba Buena Project

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

$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

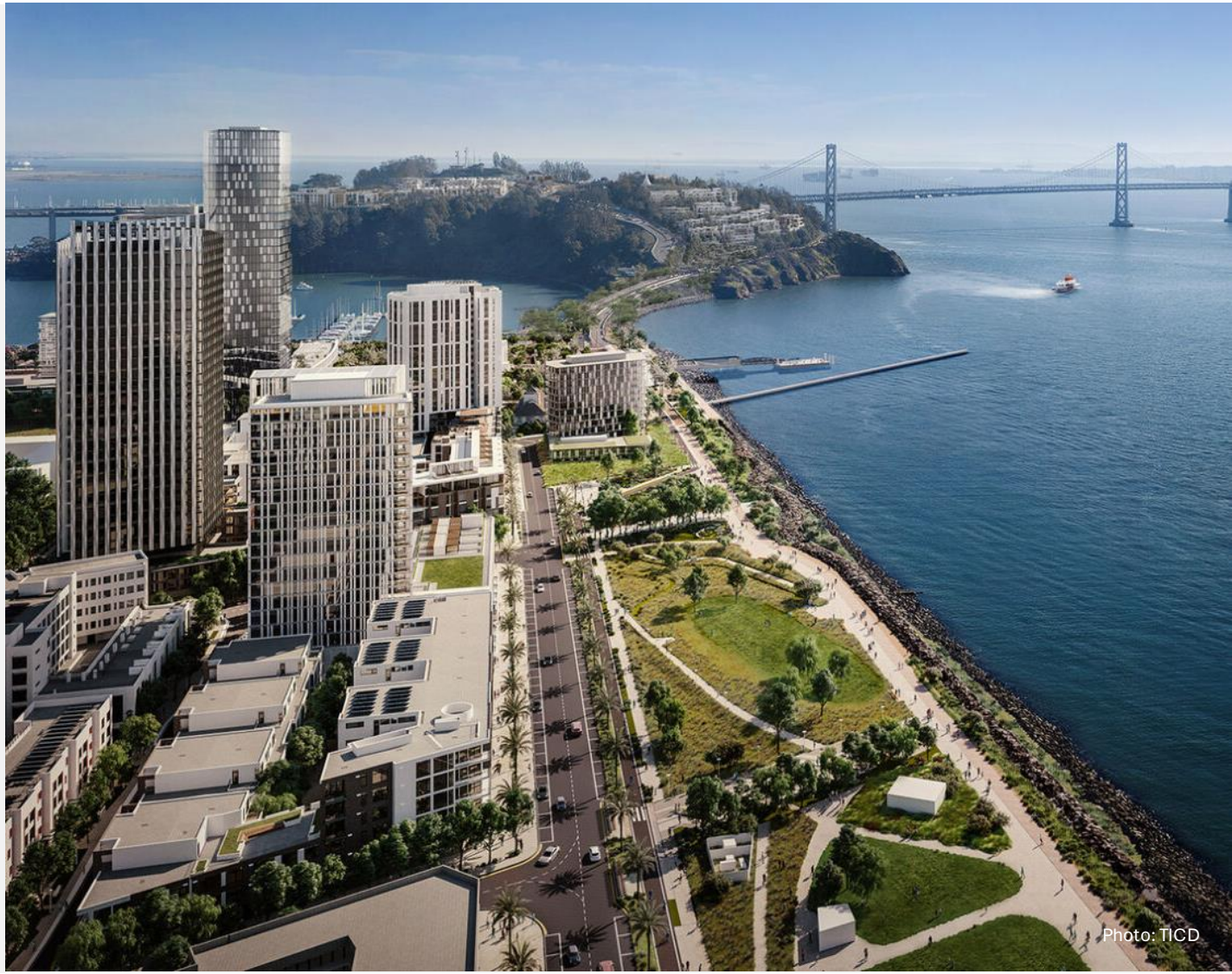
Parks

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

Guiding Policy Objectives for Amendments

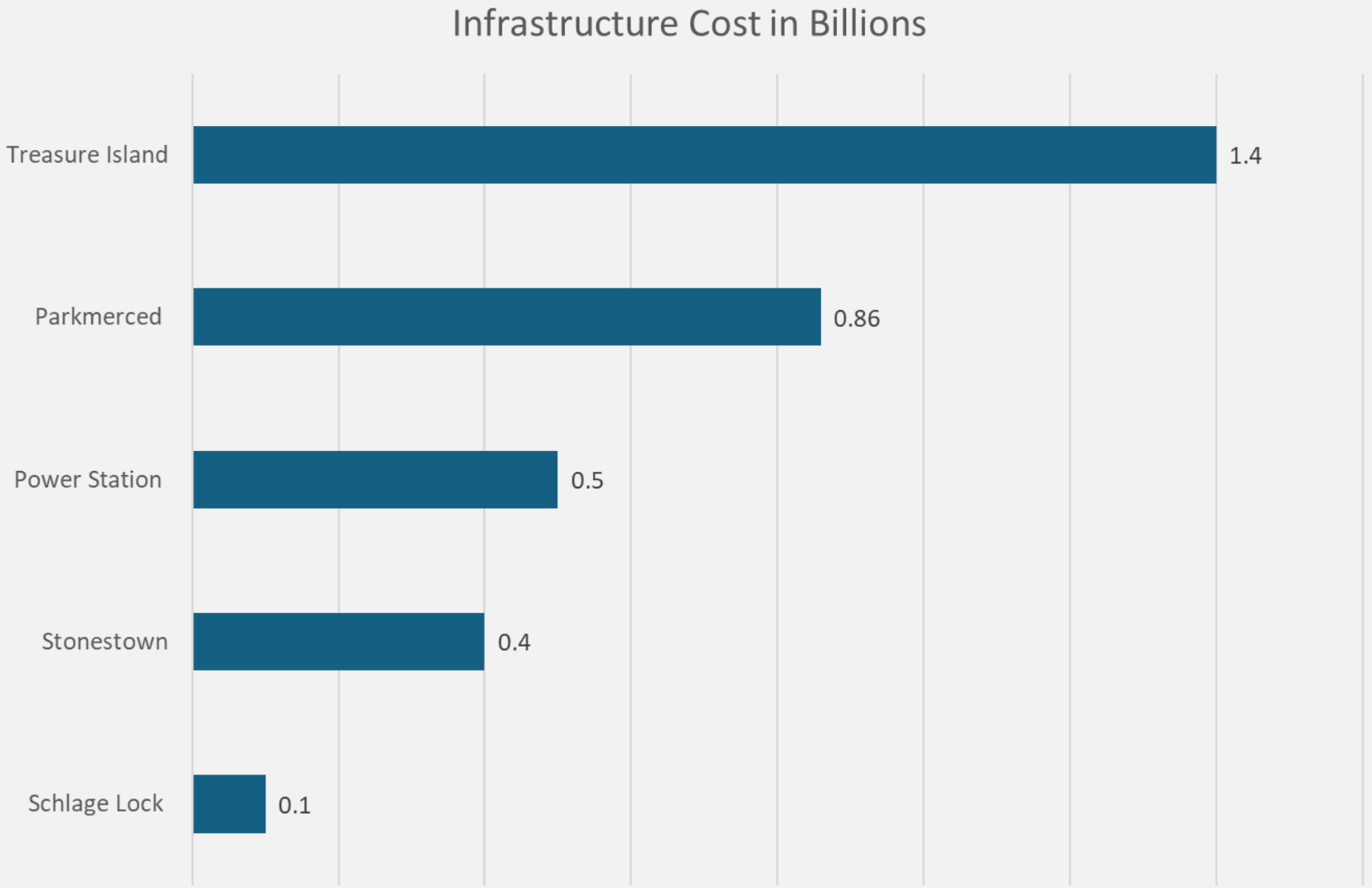
- Keep the existing public benefits
- Keep existing affordable housing plan (27.2%)
- Defer costs where possible to improve financial feasibility (w/o change to public benefits)
- Modernize sections/provisions in the DDA that are not comparable to other DAs and do not align with the project's current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



DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) AMENDMENT

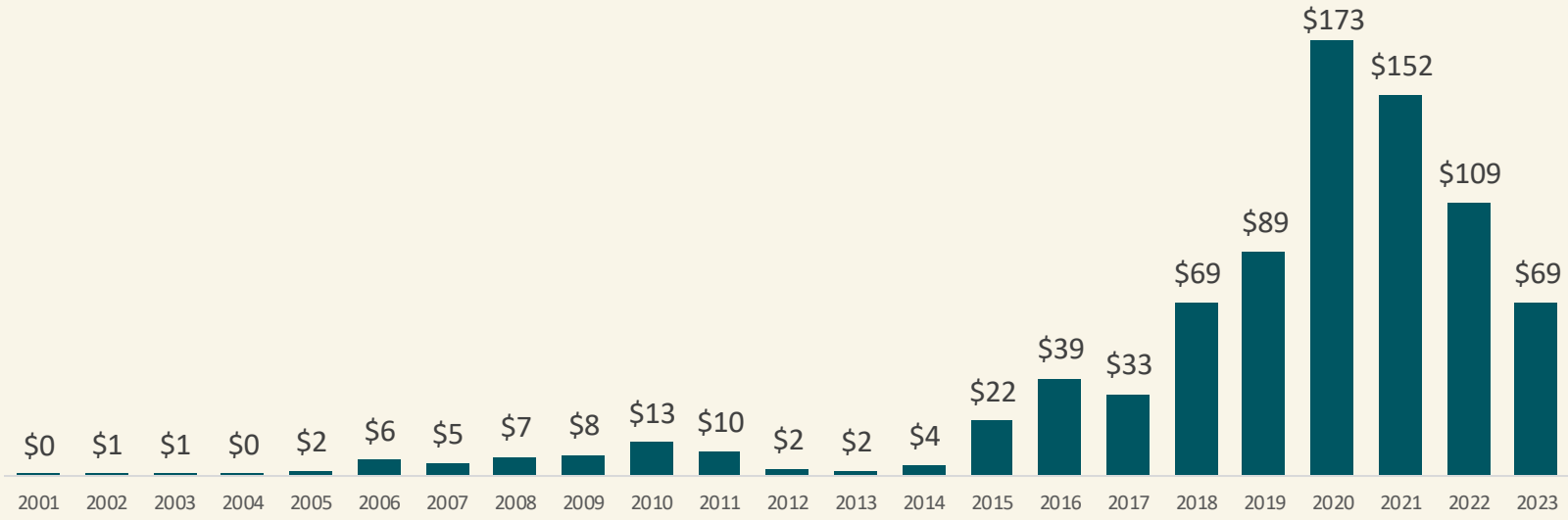
Investing in Treasure Island

Large Project Infrastructure Costs



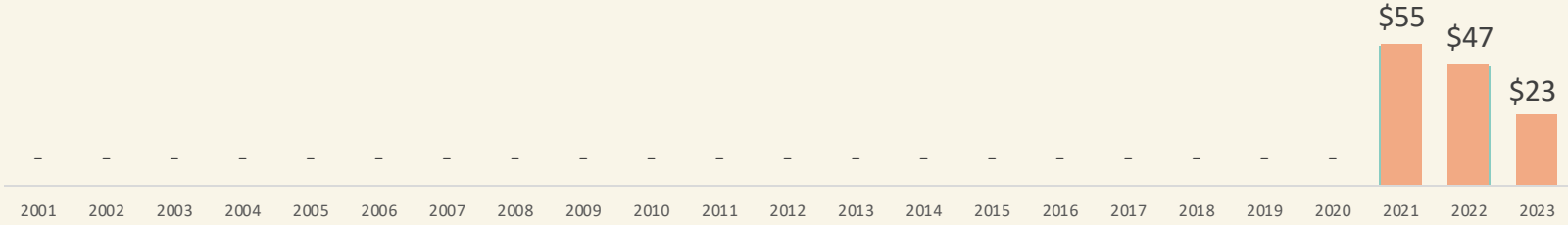
Infrastructure Investment vs. Reimbursement

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)

Thank you !