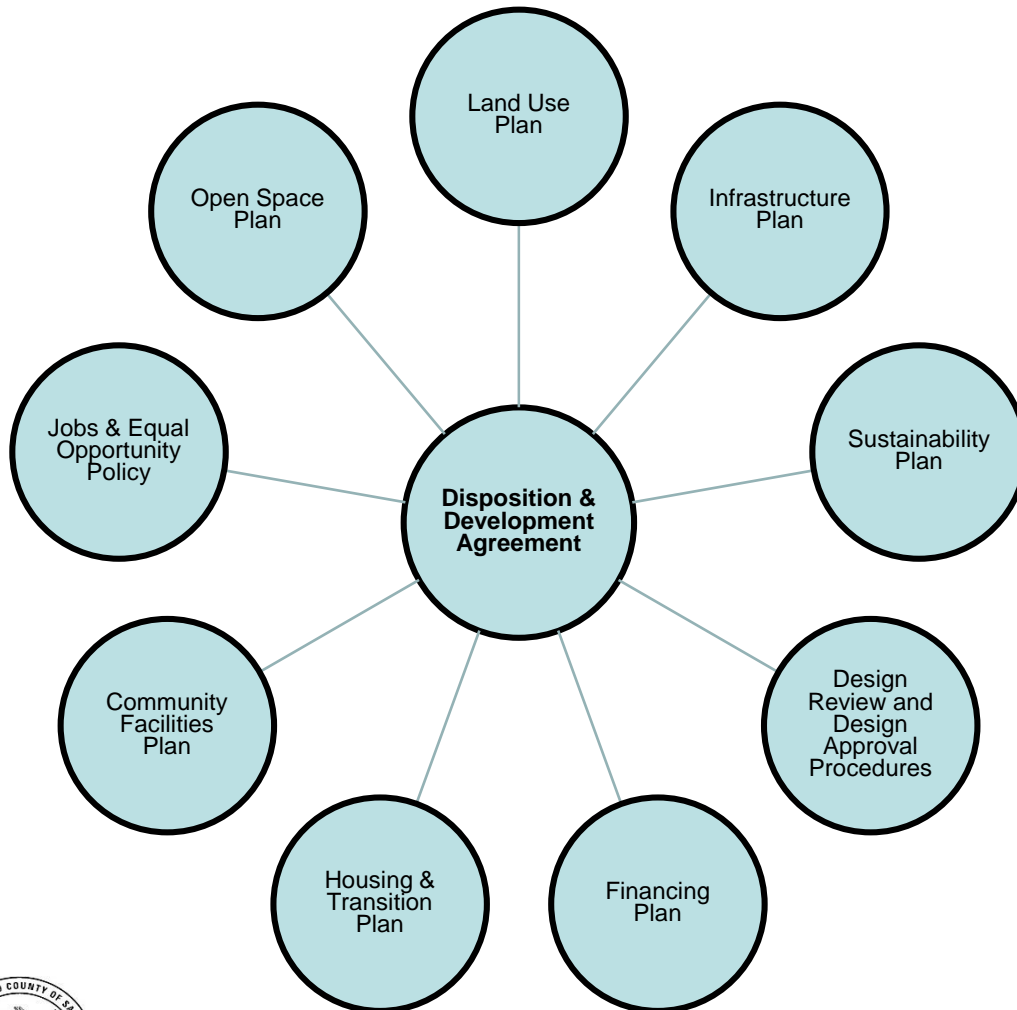




Advancing Treasure Island

March 2024

2011 Entitlement and Transaction Documents



Other Project Documents

- Development Agreement
- Environmental Impact Report
- Special Use District
- Design for Development
- Base Closure Homeless Assistance Agreement
- Transportation Implementation Plan
- Interagency Cooperation Agreement

Subsequent Agreements

- Navy Conveyance Agreement
- Trust Exchange Agreement



2011 Entitlement and Transaction Documents

Disposition and Development Agreement

- Agreement between the Authority and Treasure Island Community Development
- 33 Exhibits including Financing Plan, Housing Plan, Infrastructure Plan, Parks and Open Space Plan, Schedule of Performance, etc.

Development Agreement

- Agreement between the City and Treasure Island Community Development
- 6 Exhibits, including Financing Plan, Project Site, and Legal Description in common with DDA

Other 2011 Project Document Approvals

- General Plan, Planning Code, Subdivision Code, and Zoning Map Amendments
- Design For Development
- Environmental Impact Report



Proposed DDA & DA Amendments Timeline

Timeline

- March 1st – TIDA Housing, Infrastructure, Transportation & Sustainability Committee
- March 5th – Board of Supervisors introduction of DDA, DA, Planning Code amendments
- March 13th – TIDA Board approval of DDA and D4D amendments
- April 4th – Planning Commission hears DA and D4D amendments
- April 15th and April 17th – BOS B&F and Land Use Committee Hearings
- April 30th – Board of Supervisors fully approve amendments
- Fall 2024 – Board of Supervisors hear and approve bond authorization for Stage 2 infrastructure
- Late 2024/early 2025 – Stage 2 infrastructure commences

TIDA Board action must precede Planning Commission action. Both TIDA and Planning Commission action are required prior to Board of Supervisors consideration



Policy Goals to Build on Project Success



The first stage of TI/YBI, with nearly 1,000 homes, is almost complete and a new neighborhood is growing.

Policy Goals to Build on Project Success

Stage 1
Nearing Completion



Key Program Elements

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

Proposed DDA & DA Amendments

Objectives

- Keep the existing public benefits package as approved in the 2011 DDA
- Do not reduce affordable housing requirement (27.2%)
- Defer costs where possible to improve financial feasibility; does not result in reduced public benefits
- Modernize sections/provisions in the DDA that are not comparable to other existing development agreements in the City and do not align with the project's current schedule
- Accelerate Treasure Island-generated revenues to finance project through challenging economic period
- Where possible, implement process improvements and reaffirm City commitments to permit review process and timelines



DDA Amendments Highlights

Fiscal Changes - To accelerate project funding for Stage 2 Infrastructure:

- \$115 million in City-supported capital funds (e.g. Certificates of Participation or "COP") to accelerate funding for Stage 2 infrastructure
- Remove developer obligation to back-fill TIDA operating costs

Schedule of Performance and Subsidy Changes - To improve the financial feasibility of the project in the near term, certain costs are being delayed for cash flow relief:

- Delay requirement to build the Police/Fire Station
- Delay requirement to commence building the K-5 SFUSD campus and payment of subsidy
- Delay and reallocate 27 inclusionary units from Stage 2 to future stages
- Build in more flexibility for the developer-funded transportation to assist TIMMA



DDA Amendments – Fiscal Changes

Financing Plan (Exhibit EE)

- Build upon the Alternative Financing section to include reference to “Stage 2 Alternative Financing” in the amount of \$115 million to be delivered across 3 tranches based on performance milestones
- Stage 2 Alternative Financing can be in the form of Certificates of Participation (COPs) or other form of debt
- Update Acquisition & Reimbursement Agreement to allow for expedited review and payment of costs related to the Stage 2 Alternative Financing
- Miscellaneous updates for clarification at the advice of bond counsel and City Attorney



DDA Amendments – Fiscal Changes

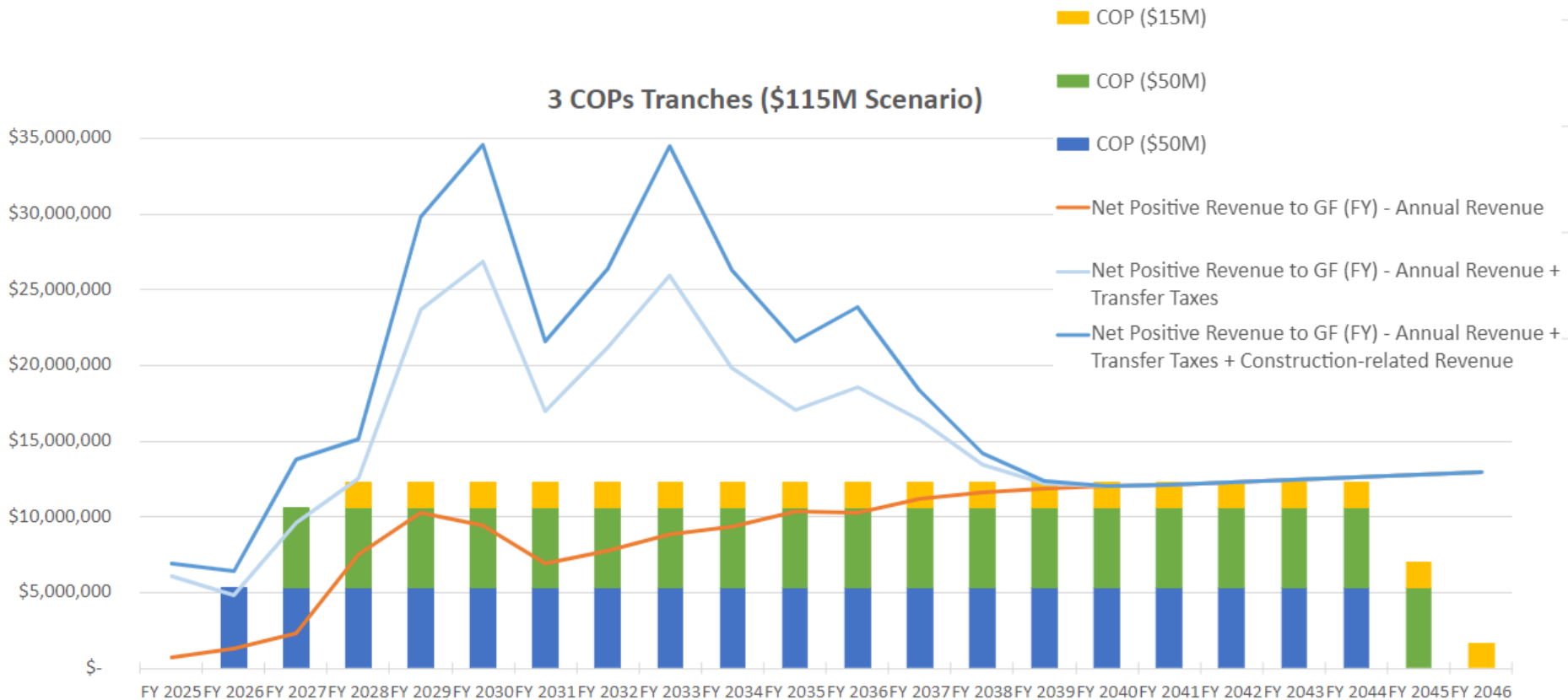
Financing Plan (Exhibit EE) - *Example Certificates of Participation (COPs) structure*

Transaction Details*	COP #1	COP #2	COP #3	Total
Issuance Year	FY2025	FY2026	FY2027	
Project Fund (\$ millions)	\$50.0	\$50.0	\$15.0	\$115.0
Term	20 yrs	20 yrs	20 yrs	
Interest Rate	6.50%	6.50%	6.50%	
Annual Debt Service (\$ millions)	\$5.3	\$5.3	\$1.7	\$12.3
First Fiscal Year of Debt Service	FY2026	FY2027	FY2028	
Total Debt Service	\$100.9	\$100.9	\$31.4	\$233.2



DDA Amendments – Fiscal Changes

Financing Plan (Exhibit EE) - *Example Certificates of Participation (COPs) structure*



DDA Amendments – Fiscal Changes

Financing Plan (Exhibit EE) - *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 redirected to offset lease payments paid by the General Fund
 - Term will start in the first year the COPs are issued and continue to the earlier of (i) the final maturity date of the COPs and (ii) the date on which the aggregate Stage 2 Contributions are equal to the one year of debt service
- Required Reinvestment: Certain developer revenues (land sale revenues, reimbursements from Public Financing) must be dedicated to funding Project Costs, including funding for Stage 2, until the Stage 2 infrastructure is complete
 - Ensures that all developer revenues are being reinvested into completing Stage 2 or reserved for funding of future stages



DDA Amendments – Fiscal Changes

Revise Section 19, “Authority Costs and Revenues” and related reporting

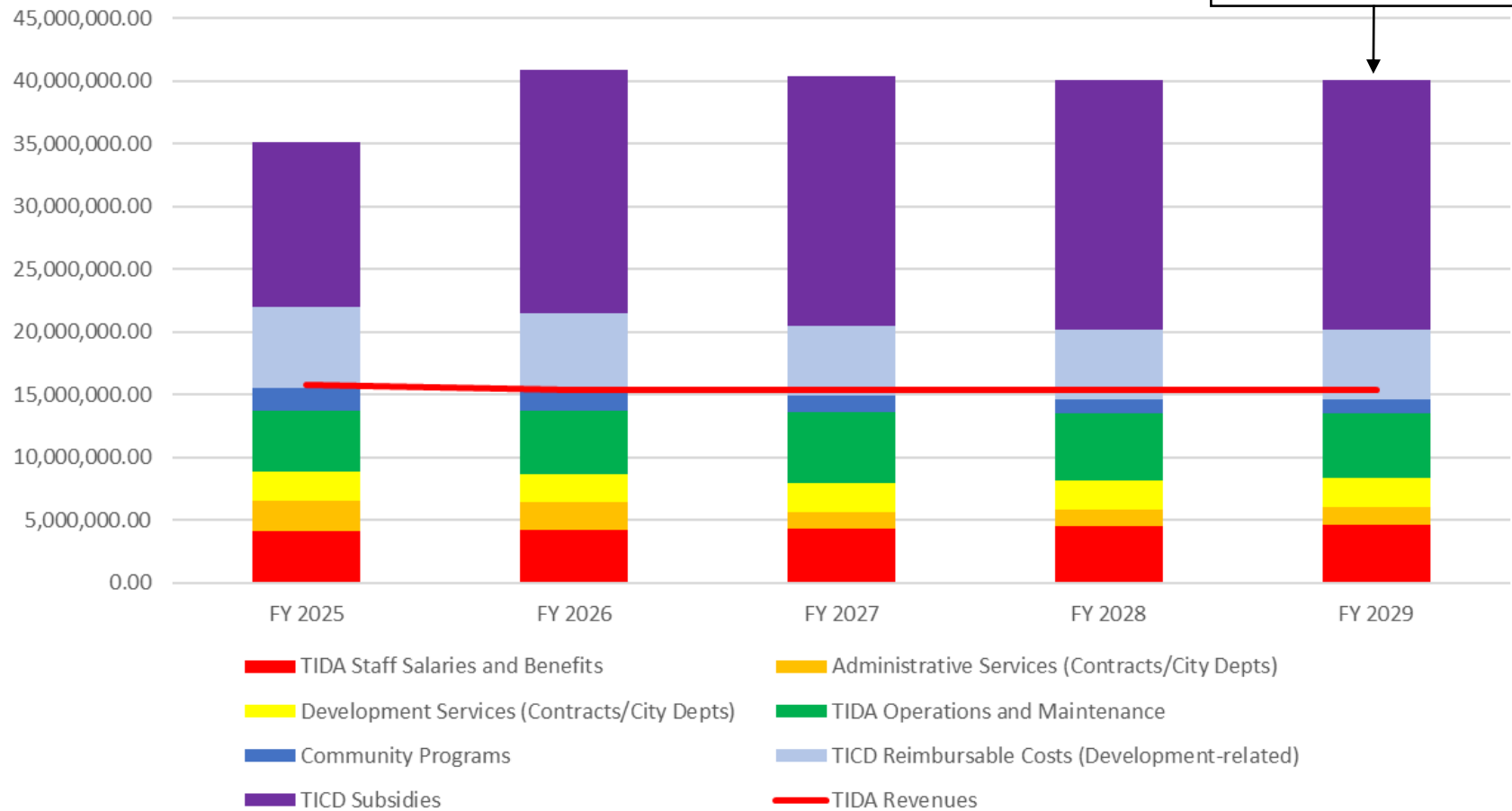
- Amendment completely removes Authority’s obligation to share the annual budget and report on Authority Costs and Revenues and removes TICD's obligation to backfill Authority’s budget in an annual deficit.
- Sections 19.1.1-19.2, 19.4-19.7:
 - Authority Costs and Authority Revenues definition
 - Remove requirement to submit Annual Budget for developer consent
 - Remove reporting requirement for Annual and Quarterly Authority Costs
 - Remove requirement for payment for shortfall in Authority Costs and sharing of surplus revenues



DDA Amendments – Fiscal Changes

TICD Subsidies include:
 Housing Subsidy, Open Space
 Subsidy, Job Broker Program
 Subsidy, Transportation
 Subsidy, Vertical Developer
 Art Fees (non-TICD)

TIDA 5-Year Financial Projections



DDA Amendments

Housing Plan (Exhibit E)

- Retain & Affirm 27.2% affordable housing
- Increase average median income limit of Rental Inclusionary Units from 60% to 80%; recommendation by MOHCD and housing consultants
- Amend Inclusionary Milestones to reallocate 27 inclusionary units from Stage 2 to pro-rata share across future stages (no change in # of units)
- Extend the Developer Housing Subsidy payment call-period from 45 days to 90 days



250 Apartments, Under Construction



178 Apartments, Under Construction



31 Townhomes and Condos, Under Construction



DDA Amendments



Transportation Plan (Exhibit N)

- Confirm the list of eligible expenses under Transit Operating Subsidy
- Allow TIMMA to access Transportation Operations Subsidy faster to help with upstart costs to transit services
- Add more flexibility in Transportation Capital Subsidy; set subsidy amount to \$13.9 million (not including MTA or bikeshare services)
- Allow TICD to credit public interim ferry and/or public shuttle service against Transportation Operating Subsidy beginning 1/1/25
- For interim service delivered by TICD, required TICD to align with public transit service parameters (e.g. frequency, stops, and low-income fares)



DDA Amendments

Community Facilities Plan (Exhibit E) and Other Subsidies

- Reconfirm DDA Subsidies that TICD has fulfilled and/or is still obligated to fulfill
- Delay Police/Fire/School requirement from 2,500 dwelling unit to 4,000 dwelling unit (~2031)
 - Police/Fire departments confirm the need is closer
 - SFUSD confirms more time makes an island-service school more viable



DDA Amendments – Other Changes

General Updates

- Term extended from 30 years to 40 years, commencing June 2011
- Where applicable, updated sections related to milestones/obligations that have been fulfilled since 2011
- Expand upon TICD's right to lease historical buildings (Buildings 1, 2, 3) to allow TIDA or a third-party to develop if economically viable
- Upon mutual agreement and approval by the Navy under the EDC MOA, allow guidelines and procedural changes for sale of Market Rate Lots and Residential Auction Lots for greater flexibility with market conditions and timely and efficient processing
- Change requirement for 1% Art Fee to be collected by Dept. Building Inspection
- Update forms of Ground Lease, LDDA, and VDDA to clarify existing provisions; add Master CC&Rs exhibit
- Update references to City's general contracting and Ethics Code provisions



D4D Amendments

Design For Development Changes: Minor changes to form controls, such as matching/responding to Code changes post-2011 and lessons learned from first subphase.

Building Form

- 5' increase to ensure gracious ceiling to floor heights, without adding floors.
- Roof top allowances for elevator overruns for modern elevators, mechanical screening & windscreens.
- Floor plate calculations changed to reflect Fire Code changes, between 2007-2023. No change to max plan length, max apparent face, or max diagonal dimensions.
- Stoops changed to accommodate programming needs of affordable housing.
- Mid-block fenestration flexibility to address conflicting state code requirements.

Miscellaneous

- Allow temporary irrigation for plant establishment.



DA Amendments

- TIDA Board of Directors is not required to approve DA amendments
- DA also includes the Financing Plan, so the identical updates will be made to the DA to conform with the DDA Financing Plan amendments.



Questions?

