

City & County of San Francisco

Infrastructure & Revitalization District No. 1 (Treasure Island)

Continuing Disclosure Annual Report

Fiscal Year Ended June 30, 2022

Issued: March 28, 2023

Due: March 31, 2023



CUSIP Numbers

Series 2022A (Facilities Increment)

<u>Maturity Date</u>	<u>CUSIP</u>
9/1/2027	79773NAA6*
9/1/2032	79773NAB4
9/1/2037	79773NAC2
9/1/2052	79773NAD0

Series 2022B (Housing Increment)

<u>Maturity Date</u>	<u>CUSIP</u>
9/1/2032	79773NAE8*
9/1/2052	79773NAF5

The Continuing Disclosure Annual Report (the “Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by the City and County of San Francisco (the “City”) Infrastructure and Revitalization District (IRFD) No. 1 (Treasure Island) (the “District”). The Rule is applicable to following:

- The Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) (the “Series 2022A Bonds”) issued in the aggregate principal amount of \$24,270,000 by the City on behalf of the District on September 8, 2022.
- The Tax Increment Revenue Bonds, Series 2022B (Housing Increment) (the “Series 2022B Bonds”) issued in the aggregate principal amount of \$5,120,000 by the City on behalf of the District on September 8, 2022.

The Series 2022A Bonds and Series 2022B Bonds are collectively referred to as the “Bonds” in this report. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

1. Certain financial information as presented in the Continuing Disclosure Certificates
2. Audited financial statements of the City
3. Notice of certain enumerated significant events
4. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the City signed the Continuing Disclosure Certificates requiring the District to provide annually, or as they occur, the enumerated information or events above.'

Per the Continuing Disclosure Certificates, the City is required to file an annual report with the Municipal Securities Rulemaking Board which includes:

a) The audited general purpose financial statements of the City prepared in accordance with generally accepted accounting principles applicable to governmental entities. The financial statements required by this subsection (a) shall be accompanied by the following statement:

The City’s annual financial statement is provided solely to comply with the Securities Exchange Commission staff’s interpretation of rule 15c2-12. The bonds are limited obligations of the City, secured by and payable solely from the Special Tax Revenues and the funds pledged therefor under the Fiscal Agent Agreement. The Bonds are not payable from any other source of funds other than Special Tax Revenues and the funds pledged therefor under the Fiscal Agent Agreement. The General Fund of the City is not liable for 104585502.1 3 the payment of the principal of or interest on the Bonds, and neither the credit nor the taxing power of the City (except to the limited extent set forth in the Fiscal Agent Agreement) or of the State of California or any political subdivision thereof is pledged to the payment of the Bonds.

Report filed under separate cover:

<https://emma.msrb.org/P21673543-P21287816-P21717342.pdf>

- b) The principal amount of the outstanding Parity Facilities Bonds by series as of September 2 preceding the date of the Annual Report.

City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Principal Amount of Outstanding Parity Facilities Bonds by Series (as of 9/8/2022)¹

Series	Original Par Amount	Outstanding Principal ⁽¹⁾	Final Maturity
2022A (Facilities)	\$24,270,000	\$24,270,000	2052

(1) As of September 8, 2022, the date of issuance of the Series 2022A Bonds (Facilities Increment)

- b) The principal amount of the outstanding Parity Housing Bonds by series as of September 2 preceding the date of the Annual Report.

City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Principal Amount of Outstanding Parity Housing Bonds by Series (as of 9/8/2022)¹

Series	Original Par Amount	Outstanding Principal ⁽¹⁾	Final Maturity
2022B (Housing)	\$ 5,120,000	\$ 5,120,000	2052

(1) As of September 8, 2022, the issuance date of the Series 2022B Bonds (Housing Increment).

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- c) The balance in the 2022 Facilities Reserve Account and the then-current Reserve Requirement for the Bonds as of September 2 preceding the date of the Annual Report.

**City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Facilities Reserve Account Balance (as of 9/8/2022)¹**

Account	Total Pledged Facilities Increment	Account Balance ⁽¹⁾	Amount Required for Reserve ⁽²⁾
2022 Facilities Reserve	\$ 22,446,334	\$ 22,446,334	\$ 1,579,750

(1) Amounts shown are as of 9/8/22, the issuance date of the Series 2022A Bonds (Facilities Increment).

(2) As defined by Section 1.02 of the Indenture of Trust, dated as of September 1, 2022.

- c) The balance in the 2022 Housing Reserve Account and the then-current Reserve Requirement for the Bonds as of September 2 preceding the date of the Annual Report.

**City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Housing Reserve Account Balance (as of 9/8/2022)¹**

Account	Total Pledged Facilities Increment	Account Balance ⁽¹⁾	Amount Required for Reserve ⁽²⁾
2022 Housing Reserve	\$ 4,711,123	\$ 4,711,123	\$ 334,500

(1) Amounts shown are as of 9/8/22, the issuance date of the Series 2022B Bonds (Housing Increment).

(2) As defined by Section 1.02 of the Indenture of Trust, dated as of September 1, 2022.

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- d) An update to Table 3 in the Official Statement, including any subsequently annexed project areas.

Table 3
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Initial Project Areas Tax Increment Allocation Status

Project Area	Acreage ⁽¹⁾	Trigger Amount for Commencement of Tax Increment Allocation	Commencement Year	Lat Year of Tax Increment
A	15.58	\$150,000	Fiscal Year 2019-20	Fiscal Year 2058-59
B	4.38	150,000	Fiscal Year 2022-23 ⁽²⁾	Fiscal Year 2061-62
C	1.56	300,000	To be determined	To be determined ⁽³⁾
D	2.12	300,000	To be determined	To be determined ⁽³⁾
E	9.5	150,000	Fiscal Year 2022-23 ⁽²⁾	Fiscal Year 2061-62
Total	33.14			

(1) Aggregate land area of Assessor's parcels within each Project Area in the District.

(2) Trigger Amounts for Project Areas B and E were exceeded in Fiscal Year 2021-22, resulting in commencement of tax increment allocation to the District in Fiscal Year 2022-23.

(3) Tax increment in Project Areas C and D can be collected by the District for 40 years beginning with the Commencement Year for each.

Source: Fiscal Consultant

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- e) An update to Table 4 in the Official Statement for the current fiscal year and prior nine fiscal years (if available), including subsequently annexed project areas.

Table 4
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Historic Assessed Values

Fiscal Year	Project Area A	Project Area B	Project Area C	Project Area D	Project Area E	Total ⁽¹⁾
2016-17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017-18	-	-	-	-	-	-
2018-19	68,568,818	4,883,740	1,768,367	2,848,093	577,630	78,646,648
2019-20	70,090,194	5,054,967	1,803,733	2,448,642	972,038	80,369,574
2020-21	102,085,597	5,155,625	1,839,808	2,497,179	991,477	112,569,686
2021-22	201,114,923	47,700,000	1,858,868	2,523,048	25,900,000	279,096,839
2022-23 (all areas)	287,081,623	52,177,932	1,896,045	31,477,893	33,061,340	405,694,833
areas collecting increment	287,081,623	52,177,932	n/a	n/a	33,061,340	372,320,895

(1) All figures in this table represent both total and Incremental Assessed Property Value, as the Base Year assessed value is \$0.

Source: Fiscal Consultant

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f) The top ten taxpayers by assessed valuation in the Project Areas for the current fiscal year, including property owner name, number of parcels owned by such property owner, Project Area(s) location of such parcel(s), and aggregate assessed valuation for each with each of land value indicated; however, the District may redact the names of any individual property owner responsible for less than 5% of aggregate assessed valuation in the Project Areas.

City and County of San Francisco
Infrastructure and Revitalization District No. 1 (Treasure Island)
Projected Top Taxpayers for FY22-23

Assessee Name ⁽¹⁾	Project Area	No. of Parcels	Total- Top 10 (All Project Areas) ⁽²⁾		
			Assessed Land Value (\$)	Assessed Improvements Value (\$)	Total Assessed Value (\$)
YBI PHASE I INVESTORS LLC	A	1	48,556,500	103,963,855	152,520,355
YBI PHASE 4 INVESTORS LLC	A	1	80,359,680	0	80,359,680
YBI PHASE 3 INVESTORS LLC	A	1	23,915,269	13,390,231	37,305,500
TI LOT 10 LLC	E	1	26,795,314	6,266,026	33,061,340
TI LOTS 5-6, LLC	D	2	30,192,000	0	30,192,000
YBI PHASE 2 INVESTORS LLC	A	1	16,896,088	0	16,896,088
TI LOTS 3-4 LLC	B	1	15,198,000	0	15,198,000
TI LOT 8 LLC	B	1	14,178,000	0	14,178,000
C23 TREASURE ISLAND 048 HOLDINGS LLC	B	1	11,220,000	0	11,220,000
B1 TREASURE ISLAND 048 HOLDINGS LLC	B	2	11,581,932	0	11,581,932
Total Top Ten Taxpayers		12	278,892,783	123,620,112	402,512,895
TREASURE ISLAND SERIES 1 LLC	C/D	2	3,181,938	0	3,181,938
Total All Taxpayers		14	282,074,721	123,620,112	405,694,833

(1) Certain assesseees include separate legal entities affiliated with master project developers. Master developers include Wilson Meany, Stockbridge Capital Group LLC, Lennar Corporation, and Poly (USA) Real Estate Development Corporation

(2) Reflects total assessed value as of January 1, 2022, tax lien date for the FY2022-2023 assessment roll.

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g) Pledged Facilities Increment and actual levy and collections for the most recently completed Fiscal Year:

**City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Pledged Facilities Tax Increment to District FY21-22**

		Actual 2021-22
<hr/>		
Assessed Value Increment, Active		\$201,114,923
Project Areas ⁽¹⁾		A
Active Project Areas		
Calculated 1% Tax Increment	1% levy	2,011,149
Calculated District Facilities Tax Increment	82.5% (of	1,071,646
(Net Available Facilities Increment + Conditional City Facilities Increment)	64.588206%)	
Actual Amount Allocated by Controller ⁽²⁾		1,187,931
Collections as % of Computed Levy ⁽³⁾		111%

(1) The base year assessed value is zero.

(2) Amount allocated included Conditional City Increment that is available to the extent required for debt service. Funds have been reserved by the Controller for allocation to District but not yet disbursed.

(3) Actual collections include supplemental and escape tax bills as of August 2022.

Source: Controller, Fiscal Consultant.

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g) Pledged Housing Increment and actual levy and collections for the most recently completed Fiscal Year:

**City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Pledged Housing Tax Increment to District FY21-22**

		Actual 2021-22
Assessed Value Increment, Active Project Areas ⁽¹⁾		\$201,114,923 A
Active Project Areas		
Calculated 1% Tax Increment	1% levy	2,011,149
Calculated District Housing Tax Increment (Net Available Housing Increment + Conditional City Housing Increment)	17.5% (of 64.588206%)	227,319
Actual Amount Allocated by Controller ⁽²⁾		251,985
Collections as % of Computed Levy ⁽³⁾		111%

(1) The base year assessed value is zero.

(2) Amount allocated included Conditional City Increment that is available to the extent required for debt service. Funds have been reserved by the Controller for allocation to District but not yet disbursed.

(3) Actual collections include supplemental and escape tax bills as of August 2022.

Source: Controller, Fiscal Consultant.

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h) An updated debt service coverage table, substantially in the form of Table 9 in the Official Statement, reflecting Pledged Facilities Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Parity Facilities Bonds.

Table 9
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Series 2022A Facilities Bonds Debt Service and Coverage

Year Ending ⁽¹⁾	Principal	Interest	Total	FY22-23 Pledged Facilities Increment ⁽²⁾	Debt Service Coverage ⁽³⁾
2023	\$385,000	\$1,189,904	\$1,574,904	\$1,975,000	125%
2024	385,000	1,194,250	1,579,250	1,975,000	125%
2025	400,000	1,175,000	1,575,000	1,975,000	125%
2026	420,000	1,155,000	1,575,000	1,975,000	125%
2027	445,000	1,134,000	1,579,000	1,975,000	125%
2028	465,000	1,111,750	1,576,750	1,975,000	125%
2029	490,000	1,088,500	1,578,500	1,975,000	125%
2030	515,000	1,064,000	1,579,000	1,975,000	125%
2031	540,000	1,038,250	1,578,250	1,975,000	125%
2032	565,000	1,011,250	1,576,250	1,975,000	125%
2033	595,000	983,000	1,578,000	1,975,000	125%
2034	625,000	953,250	1,578,250	1,975,000	125%
2035	655,000	922,000	1,577,000	1,975,000	125%
2036	690,000	889,250	1,579,250	1,975,000	125%
2037	725,000	854,750	1,579,750	1,975,000	125%
2038	760,000	818,500	1,578,500	1,975,000	125%
2039	795,000	780,500	1,575,500	1,975,000	125%
2040	835,000	740,750	1,575,750	1,975,000	125%
2041	880,000	699,000	1,579,000	1,975,000	125%
2042	920,000	655,000	1,575,000	1,975,000	125%
2043	970,000	609,000	1,579,000	1,975,000	125%
2044	1,015,000	560,500	1,575,500	1,975,000	125%
2045	1,070,000	509,750	1,579,750	1,975,000	125%
2046	1,120,000	456,250	1,576,250	1,975,000	125%
2047	1,175,000	400,250	1,575,250	1,975,000	125%
2048	1,235,000	341,500	1,576,500	1,975,000	125%
2049	1,300,000	279,750	1,579,750	1,975,000	125%
2050	1,365,000	214,750	1,579,750	1,975,000	125%
2051	1,430,000	146,500	1,576,500	1,975,000	125%
2052	1,500,000	75,000	1,575,000	1,975,000	125%
Total	\$24,270,000.00	\$23,051,154.00	\$47,321,154.00		

(1) Debt service presented on a bond year ending September 1, revenues presented on a fiscal year basis ending June 30.

(2) Assumes no assessed value change. Based on Fiscal Consultant Report projection. No assurance is given that assessed values will not decline.

(3) Reflects Fiscal Year 2022-23 Pledged Facilities Increment divided by Annual Facilities Debt Service.

h) An updated debt service coverage table, substantially in the form of Table 10 in the Official Statement, reflecting Pledged Housing Increment derived from current fiscal year assessed valuations and reflecting debt service on all then-outstanding Parity Housing Bonds.

Table 10
City and County of San Francisco
Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
Series 2022B Housing Bonds Debt Service and Coverage

Year Ending ⁽¹⁾	Principal	Interest	Total	FY22-23 Pledged Housing Increment ⁽²⁾	Debt Service Coverage ⁽³⁾
2023	\$80,000	\$251,022	\$331,022	\$419,000	127%
2024	80,000	252,000	332,000	419,000	126%
2025	85,000	248,000	333,000	419,000	126%
2026	90,000	243,750	333,750	419,000	126%
2027	95,000	239,250	334,250	419,000	125%
2028	100,000	234,500	334,500	419,000	125%
2029	105,000	229,500	334,500	419,000	125%
2030	110,000	224,250	334,250	419,000	125%
2031	115,000	218,750	333,750	419,000	126%
2032	120,000	213,000	333,000	419,000	126%
2033	125,000	207,000	332,000	419,000	126%
2034	130,000	200,750	330,750	419,000	127%
2035	140,000	194,250	334,250	419,000	125%
2036	145,000	187,250	332,250	419,000	126%
2037	150,000	180,000	330,000	419,000	127%
2038	160,000	172,500	332,500	419,000	126%
2039	170,000	164,500	334,500	419,000	125%
2040	175,000	156,000	331,000	419,000	127%
2041	185,000	147,250	332,250	419,000	126%
2042	195,000	138,000	333,000	419,000	126%
2043	205,000	128,250	333,250	419,000	126%
2044	215,000	118,000	333,000	419,000	126%
2045	225,000	107,250	332,250	419,000	126%
2046	235,000	96,000	331,000	419,000	127%
2047	250,000	84,250	334,250	419,000	125%
2048	260,000	71,750	331,750	419,000	126%
2049	275,000	58,750	333,750	419,000	126%
2050	285,000	45,000	330,000	419,000	127%
2051	300,000	30,750	330,750	419,000	127%
2052	315,000	15,750	330,750	419,000	127%
Total	\$5,120,000.00	\$4,857,272.00	\$9,977,272.00		

(1) Debt service presented on a bond year ending September 1, revenues presented on a fiscal year basis ending June 30.

(2) Assumes no assessed value change. Based on Fiscal Consultant Report projection. No assurance is given that assessed values will not decline.

(3) Reflects Fiscal Year 2022-23 Pledged Housing Increment divided by Annual Housing Debt Service.