



Mission Rock Community Facilities District 2021 Special Tax Bonds

November 30, 2020

Item 4

Presented by:

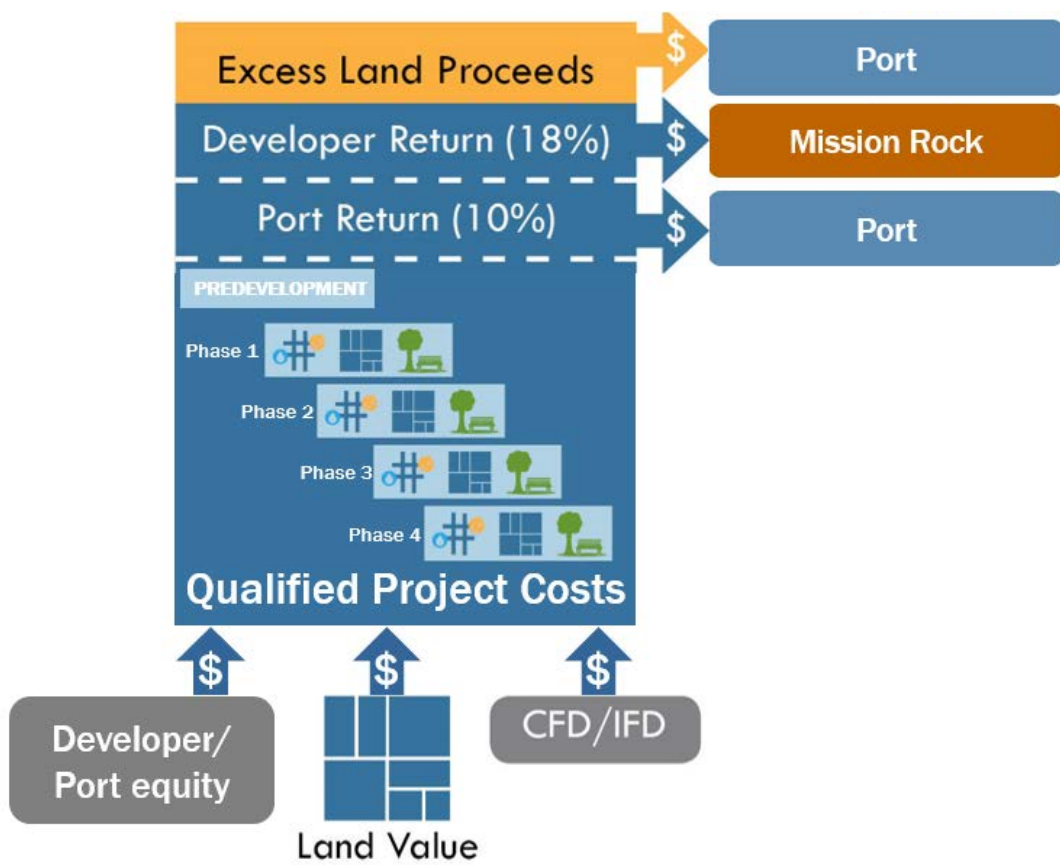
Wyatt Donnelly-Landolt

Overview

- Financing Structure
- Proposed Bond Issuance
- Next Steps



Project Funding Structure



Strategies to limit Developer Capital and Return:

- Use CFD/IFD sources when possible
- Maximize public financing
- Use tax-exempt debt
- Use Port Capital

Overview of Phase 1 Sources and Uses

Description	Entitlement	Phase 1	Total Phase 1
Sources			
Total Horizontal Costs	29.3	145.4	174.8
Developer Return	<u>16.9</u>	<u>73.8</u>	<u>90.7</u>
Total Phase 1 Uses	46.2	219.3	265.5
Uses			
Net Development Rights Payments Advances	42.2	-	42.2
CFD Bonds - Unimproved Land	4.0	31.2	35.2
CFD Bonds - Completed Buildings	-	140.8	140.8
IFD Excess Pay Go Increment	<u>-</u>	<u>47.2</u>	<u>47.2</u>
Total Phase 1 Sources	46.2	219.3	265.5

All figures in \$millions.

CFD Taxes and Uses

Development Tax

- Funds infrastructure and parks
- Available as long as Project Area tax increment available

Shoreline Tax

- Funds shoreline protection studies and facilities
- May be levied for 120 years

Office Tax

- Funds infrastructure and parks
- More flexible than development tax
- May be levied for 120 years

Services Tax

- Funds ongoing operations and maintenance for site
- May be levied in perpetuity



Bond Issuance Parameters

- Amount of bonds sold limited by two factors:
 1. Appraised value of the CFD
 - The City has a policy of only issuing CFD debt with a 3:1 value-to-lien ratio
 - Updated valuation of \$130.0 million, resulting in \$43.3 million in bonds
 - This update includes increased development risk due to COVID-19 and a one-year delay in later phases
 2. Ongoing Development Special Tax Capacity
 - Requires 110% debt service coverage from Development Special Tax Capacity
 - This bond issuance is sized to the Development Special Tax from Phase I
 - Maximum Development Special Tax capacity from Phase 1 will be far in excess of 110 percent coverage
 - Additional Development Special Tax capacity will support future bonds

Bond Sources and Uses

- Sale of bonds in amount of \$43.3M results in potential total sources of \$44.8M with premium
- Bond uses shown in table to right; proceeds used to repay remaining Entitlement Sum and Phase I Infrastructure Improvements

Uses	Preliminary Estimate
Improvement Fund	\$39,790,588
<i>Remaining Entitlement Sum</i>	\$3,429,304
<i>Demolition & Hazardous Soil Removal</i>	\$7,287,698
<i>Utilities (e.g. Sewer, Water, Joint Trench)</i>	\$7,366,116
<i>Earthwork and Retaining Walls</i>	\$12,183,808
<i>Roadways</i>	\$4,238,979
<i>Streetscape</i>	\$4,449,271
<i>Parks and Public Spaces</i>	\$835,412
Debt Service Reserve Fund	\$3,743,500
Delivery Date Expenses	
Cost of Issuance	\$875,000
Underwriter's Discount	\$433,000
Total Uses	\$44,842,087

Today's Actions

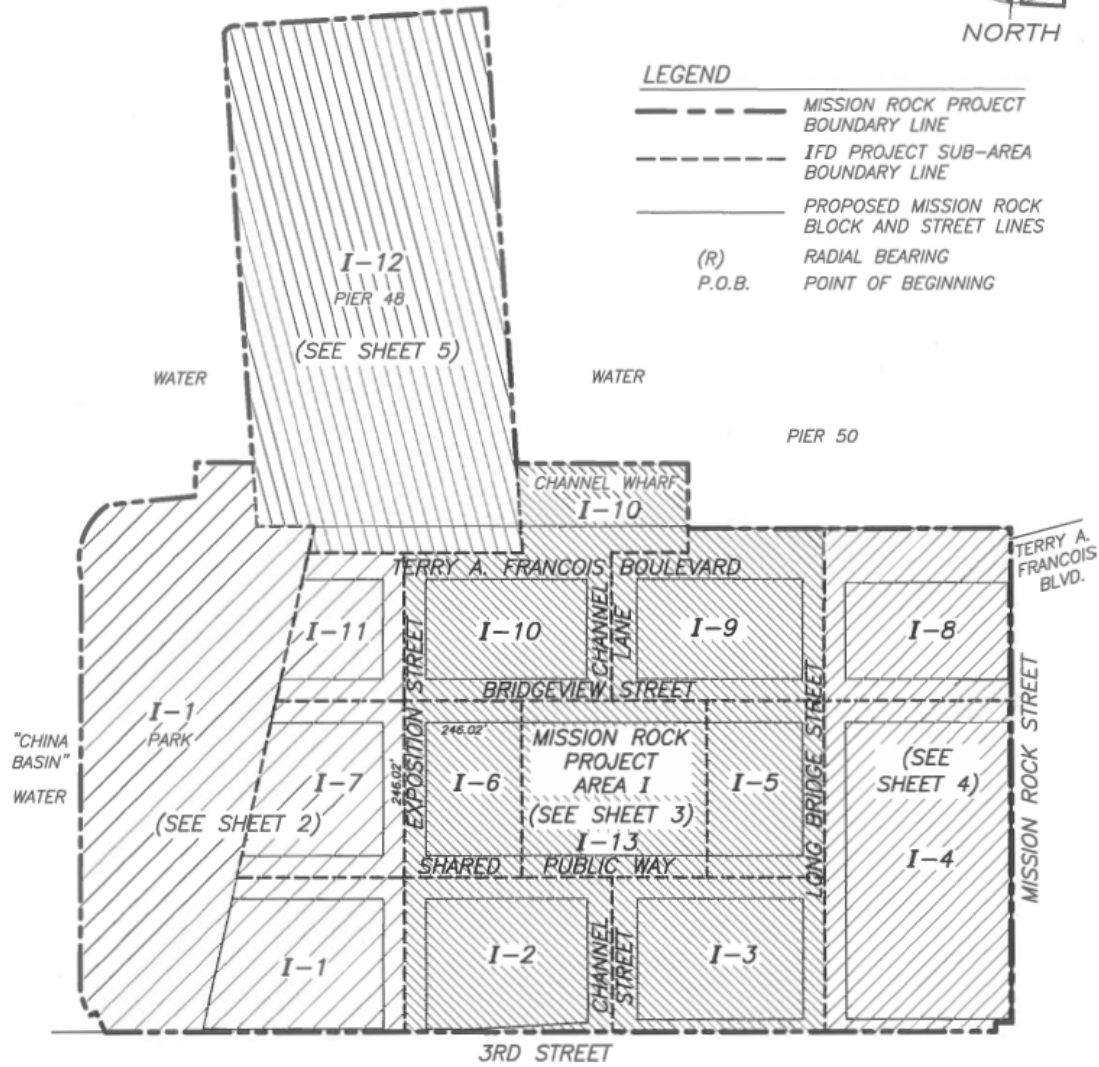
Request positive recommendation of:

- Resolution Authorizing the Issuance of Development Special Tax Bonds – City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services) - Not to Exceed Aggregate Principal Amount of \$43,300,000
- Resolution Authorizing a Pledge Agreement Related to City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco) Sub-Project Areas I-1 through I-13 and Special Tax Bonds Issued by City and County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services)

Item	Date
Introduction of Legislation to Board of Supervisors	November 17, 2020
Budget & Finance Committee Hearing	December 2, 2020
Board Approval of Legislation	December 8, 2020
Sale and Closing of Bonds	Jan/Feb 2020

LATER SLIDES FOR REFERENCE ONLY

IFD Map



Mission Rock Tax Rates

Tax Zone	Land Use	Parcels	Tax	Rate/sq. ft	
Zone 1	Market Rate Residential	A, F	Development	\$ 8.58	
			Contingent Services	\$ 1.40	
	Office	B, G	Development	\$ 6.50	
			Office	\$ 1.92	
			Shoreline	\$ 1.82	
			Contingent Services	\$ 1.40	
	Zone 2	Market Rate Residential	D1, F, K, H*, I*, J*	Development	\$ 8.58
				Contingent Services	\$ 1.40
Office		C, E, H*, I*, J*	Development	\$ 6.50	
			Office	\$ 1.61	
			Shoreline	\$ 1.82	
			Contingent Services	\$ 1.40	
Future Annexation Area		TBD	Pier 48	Development	TBD
				Office	TBD
	Shoreline			TBD	
	Services			TBD	

Mission Rock Tax Rates

