

Series 2026C & 2026D
Mission Bay South Bonds
Financing Authority

January 6, 2026



Overview

- **Enabling Authority**
 - 2026C New Money Bonds
 - California Health and Safety Code Section 34177.5 (a)(4)
 - 2026D Refunding Bonds
 - California Health and Safety Code Section 34177.5 (a)(1)
 - Article 11 of Ch. 3 of Part 1 of Division 2 of Title 5 of California Government Code

Overview

- **2026C Bonds Purpose**
 - Not to exceed \$48 million
 - Reimburse developer for Mission Bay South Infrastructure
 - Unaccepted infrastructure in P3 & Blocks 29-34
 - P2/P8 (Mission Creek Extension), P19, P22
 - Storm Water Pump Station #3
 - Bridgeview Way Mid-Block
 - School Play Yard
- **2026D Refunding Bonds Purpose**
 - Not to exceed \$170 million
 - Refund for savings Series 2014A, 2016B, 2016C
 - Lock in debt service savings from lower market rates

Sources by Uses

Series 2026C & 2026D Mission Bay South Bonds

	2026C New Money	2026D Refunding	Total
Sources:			
Bond Proceeds	\$40,572,981	\$130,952,110	\$171,525,091
2014A Reserve Release		5,996,607	5,996,607
Total Sources	\$40,572,981	\$136,948,718	\$177,521,699
Uses:			
Project Fund	40,000,000	-	40,000,000
Refunding Escrow	-	135,117,772	135,117,772
Bond Insurance Policy	203,705	657,406	861,111
Reserve Surety Policy	43,153	139,266	182,419
Cost of Issuance	218,819	706,181	925,000
Underwriter's Discount	102,353	330,317	432,670
Additional Proceeds	4,951	-2,224	2,727
Total Uses	\$40,572,981	\$136,948,718	\$177,521,699

The actual issuance amount will be finalized in the weeks before the bond issuance and will be based on the most up-to-date project costs and market conditions

Estimated Savings

Savings Schedule

- Savings generated by refinancing existing bonds at an interest rate of 5.0% with refunding bonds at an interest rate estimated at 4.5%

Bond Year Ending 8/1	2014A, 2016B&C Refunded Debt Service	2026D Refunding Debt Service	Savings
2027	11,908,000	11,117,104	790,896
2028	11,908,250	11,116,500	791,750
2029	11,910,500	11,125,250	785,250
2030	11,909,000	11,120,750	788,250
2031	11,908,250	11,123,000	785,250
2032-43	142,904,750	131,963,250	10,941,500
Total	\$202,448,750	\$187,565,854	\$14,882,896

Assumptions

- Key assumptions used in Municipal Advisor's Debt Service Savings Analysis:

Bond Series	Bond Proceeds (\$ Millions)	True Interest Cost	Underwriter's Discount
2026C	\$40.6	4.5%	0.3%
2026D	\$131.0	4.5%	0.3%

Proposed Action

Authorize negotiated sale of the bonds

- **Financing Authority is participating in the bond sale transaction because:**
 - The majority of municipal bonds in the U.S. are sold on a negotiated basis
 - Agencies like OCII that issue specialized types of bonds, such as Tax Allocation Bonds for redevelopment finance, have greater certainty of favorable terms when selling bonds via a negotiated sale, therefore a negotiated sale is beneficial to OCII
 - Under applicable law, OCII must sell the 2026C Bonds “at public sale” and therefore cannot sell them on a negotiated basis directly to the underwriters
 - The 2026C Bonds may only be sold on a negotiated basis if they are sold by OCII to the Financing Authority and the Financing Authority sells them to the underwriters
- **Financing Authority last convened in 2017, in connection with the negotiated sale of OCII’s 2017D&E Subordinate Tax Allocation Refunding Bonds**

Proposed Action

Approve Bond Purchase Contract

- **Bond Purchase Contract** – contains the principal amount, underwriter's discount, and the coupons and yields of the proposed 2026C and 2026D Bonds, all of which will be determined on the day of bond pricing.

Next Steps

Actions Necessary to Complete the Proposed Bond Transaction

Date	Action
January 12	Oversight Board consideration of bond issuance
January 16	Submission of Oversight Board approval resolution and related documents to California Department of Finance for review and approval
March 22	Final date for DOF determination regarding issuance (65 days)
June 16	After DOF approval, Commission consideration of Preliminary Official Statement and other actions necessary for issuance
August	Bond pricing, interest rates set
September	Bond closing, project funds received, pay off Series 2014A, 2016B, 2016C

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Questions / Comments