Office of Community Investment and Infrastructure

2026A and 2026B Bonds Affordable Housing and Transbay Infrastructure

July 15, 2025

OCII

Overview

- **Enforceable Obligations**
  - Affordable Housing Obligation – 4,334 Units
    - 330 units in construction
    - 662 units in predevelopment
  - Transbay Infrastructure Obligations required by the Transbay Implementation Agreement

- **Enabling Authority**
  - California Health and Safety Code
    - Section 34177.7(a)(1)(A)
    - Section 34177.7(a)(1)(B)

Overview

- **2026 Series A (Taxable) Purpose**
  - Transbay Under Ramp Park project (private use portion)
  - 341 units of affordable housing
    - 15 percent of remaining affordable housing obligation

Project Area	Project Name	Units
Mission Bay South	Block 4 East A	165
Candlestick Point	Block 11A	176
Total		**341**

- **2026 Series B (Tax-Exempt) Purpose**
  - Transbay Under Ramp Park project (public use portion)

Sources by Uses

2026 Series A and 2026 Series B Bonds

	2026A (Taxable)	2026B (Tax-Exempt)	Total
Sources:			
Bond Principal	132,260,000	13,750,000	146,010,000
Premium		917,441	917,441
Total Sources	**$132,260,000**	**$14,667,441**	**$146,927,441**
Uses:			
Affordable Housing Project Fund	$97,832,000	-	$97,832,000
Transbay Project Fund	20,000,000	13,052,000	33,052,000
Debt Service Reserve Fund	13,226,000	1,375,000	14,601,000
Cost of Issuance	802,554	197,446	1,000,000
Underwriter's Discount	396,780	41,250	438,030
Additional Proceeds	2,666	1,744	4,411
Total Uses	**$132,260,000**	**$14,667,441**	**$146,927,441**

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

Proposed Action

Approve Third Supplement to Indenture of Trust and Bond Purchase Contract

- **Third Supplement** - date, manner of payment, interest rate or rates, interest payment dates, denominations, form, registration, privileges, manner of execution, place of payment, terms of redemption and other terms
- **Bond Purchase Contract** – the principal amount, underwriter's discount, and the coupons and yields of the proposed 2026A and 2026B Bonds, all of which will be determined on the day of bond pricing. Below are the key assumptions used in the Municipal Advisor's analysis reflecting current market conditions.

Bond Series	Principal Amount	True Interest Cost	Underwriter's Discount
2026A 2026B	$132.260 $13.750	6.14% 4.31%	0.30% 0.30%

Next Steps

Actions Necessary to Complete the Proposed Bond Transaction

Date	Action
August 6	Oversight Board consideration of indenture and bond purchase contract
August 11	Submission of Oversight Board approval resolution and related documents to DOF for review and approval
October 15	Final date for DOF determination regarding issuance (65 days)
November 18	After DOF approval, Commission consideration of preliminary official statement and other actions necessary for issuance
December 10	Bond pricing, interest rates set
January 6, 2026	Bond closing, funds received

Series 2026A and Series 2026B Bonds
Affordable Housing and Transbay Infrastructure

Questions / Comments