Office of Community Investment and Infrastructure

Series 2023C & 2023D Mission Bay South Refunding Bonds

June 20, 2023

OCII

Overview

- **Enabling Authority**
  - California Health and Safety Code
    - Section 34177.5 (a)(1)(A)
  - California Government Code
    - Article 11 of Ch. 3 of Part 1 of Division 2 of Title 5

Overview

- **2023 Series B & C Purpose**

  Refunding the Mission Bay South Series 2016D Bonds

  To lock in debt service savings from:

  - Lower market rates
  - Credit rating upgrade from non-rated to A-
    - ❑ 2016D bonds are subordinate and non-rated
    - ❑ 2023 B&C bonds will be senior and carry that rating (currently A-)

Sources by Uses

2023 Series C and 2023 Series D Bonds

	2023C Taxable Refunding Bonds	2023D Tax-exempt Refunding Bonds	Total
SOURCES			
Bond Proceeds	36,310,000	31,605,000	67,915,000
Premium	-	4,432,571	4,432,571
Debt Service Reserve	3,153,010	3,127,418	
Total Sources	**39,463,010**	**39,164,989**	**78,628,000**
USES			
Refunding Escrow Deposit	35,416,050	35,198,780	70,614,830
Debt Service Reserve	3,631,000	3,603,757	7,234,757
Cost of Issuance	267,319	232,681	500,000
Underwriter's Discount	145,240	126,420	271,660
Other Uses of Funds	3,401	3,352	6,753
Total Uses	**39,463,010**	**39,164,989**	**78,628,000**

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 Second Supplemental of Indenture of Trust and Bond Purchase Agreement

- **Second 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 Agreement** - principal amount, the components of the true interest cost, the underwriters' discount, and the coupons and yields of the proposed 2023C and 2023D Bonds, all of which will be determined at pricing. Below are the key assumptions used in Municipal Advisors analysis reflecting current market conditions.

Bond Series	Principal Amount	True Interest Cost	Underwriter's Discount
2023C	$36.310	4.44%	.40%
2023D	$31.605	4.83%	.40%

Proposed Action

Approve Underwriter Selection

- **Methodology**
  - RFP issued to the CCSF underwriter panel
  - 6 Responses received, evaluated and scored by selection panel
- **Team**
  - Lead Underwriter – Citigroup Global Markets
  - Co-Manager – Wells Fargo Bank, NA

Next Steps

Actions Necessary to Complete the Proposed Transactions

Date	Action
June 29	Oversight Board consideration of indenture and bond purchase agreement
June 29	Submission of Oversight Board approval resolution and related documents to DOF for review and approval
September 2	Final date for DOF approval
September 5	Commission consideration of preliminary official statement and other actions necessary for issuance
Late September	Bond Pricing – exact time depends on market conditions
Mid October	Bond Closing – within 3 weeks of Pricing

Series 2023C and Series 2023D Mission Bay South Refunding Bonds

Questions / Comments

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- You will have 3 minutes to provide a comment

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