

STAFF REPORT

MEETING DATE: April 23, 2026

TO: Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Pittsburgh

FROM: Elena Adair, Finance Director, Successor Agency to the Redevelopment Agency of the City of Pittsburgh

SUBJECT: Issuance of Refunding Bonds for the Successor Agency to the Redevelopment Agency of the City of Pittsburgh

EXECUTIVE SUMMARY

Based on current market rates, a refinancing of the outstanding bonds is anticipated to generate over \$1,950,000 of present value savings, or \$10,600,000 in gross cash flow savings. The savings will be shared among the taxing entities. The refunding will also shorten the final maturity of the Agency's bonds from 2036 to 2030.

FISCAL IMPACT

Costs associated with issuing the 2026 Refunding Bonds will be paid out of the issuance and savings figure referenced herein are net of those issuance costs. Refunding is anticipated to generate over \$1,950,000 of present value savings, or \$10,600,000 in gross cash flow savings.

RECOMMENDATION

That the Board of Directors approve a Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Pittsburgh Approving the Issuance of Refunding Bonds, Making Certain Determinations with Respect to the Refunding Bonds, and Providing Other Matters Relating thereto.

BACKGROUND

The Successor Agency to the Redevelopment Agency of the City of Pittsburgh ("Successor Agency") has five series of Tax Allocation Bonds outstanding, which include the following:

- Tax Allocation Bonds, Series 1999 ("1999 Bonds")
- Housing Set Aside Tax Allocation Bonds (Taxable), 2006 Series A ("2006 Housing Bonds")
- Tax Allocation Refunding Bonds, Series 2014 ("2014 Bonds")
- Housing Set Aside Tax Allocation Refunding Bonds (Taxable), 2016 Series A ("2016 Housing Bonds")
- Subordinate Tax Allocation Refunding Bonds, 2016 Series A ("2016 Subordinate Bonds")

The 1999 Bonds are structured as capital appreciation bonds and are non-callable. Those 1999 Bonds are excluded from the definition of “Prior Bonds” in this staff report and are excluded from the table below. The 2006 Housing Bonds, 2014 Bonds, 2016 Housing Bonds, and 2016 Subordinate Bonds (collectively the “Prior Bonds”) are summarized in the table below.

Summary of Key Metrics on Prior Bonds Being Refunded

Issue	Original Par	Outstanding Par*	Avg Outstanding Coupon	Final Maturity	Call Option
2006 Housing Bonds	\$11,020,000	\$5,640,000	5.31%	8/1/2036	Any time @ Make Whole Price
2014 Bonds	\$67,445,000	\$7,715,000	5.00%	8/1/2029	Any time @ par
2016 Subordinate Bonds	\$120,085,000	\$63,080,000	5.00%	9/1/2029	Sept. 1, 2026 @ Par
2016 Housing Bonds	\$13,845,000	\$3,610,000	4.68%	8/1/2029	Aug. 1, 2026 @ Par
Total	\$212,395,000	\$80,045,000			

**Excludes amounts scheduled for payment on 8/1/2026*

While the 2006 Housing Bonds and the 2014 Bonds are currently callable, the 2016 Housing Bonds and the 2016 Subordinate Bonds will be callable by August 1 and September 1, 2026, respectively.

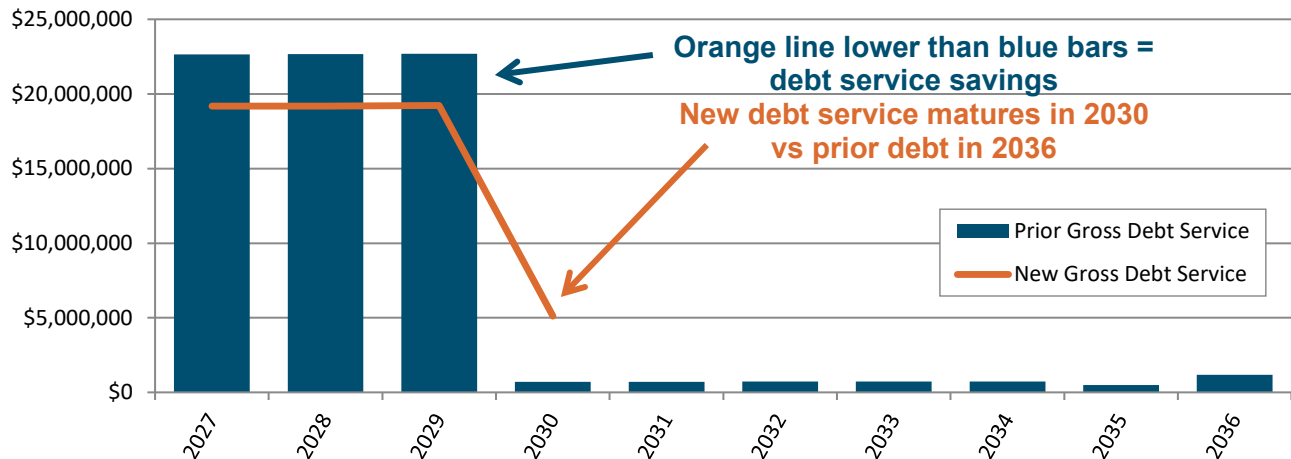
The Successor Agency is evaluating the refinancing of the Prior Bonds to achieve debt service savings, improve cash flow, and accelerate the final maturity of outstanding tax allocation bond debt. The proposed refunding is expected to reduce interest costs, generate material cash flow savings particularly in the near term, and shorten the final maturity of the bonds from 2036 to approximately 2030.

STAFF ANALYSIS

Successor Agency staff, in coordination with the financing team, has evaluated the economics of issuing Subordinate Tax Allocation Refunding Bonds, 2026 Series A and 2026 Series B (Taxable) (the “2026 Refunding Bonds”) to refund four series of outstanding Prior Bonds for savings. Based on current market conditions and the structure of the existing debt, the proposed refunding is expected to generate meaningful debt service savings and improve near-term cash flow.

As shown in the table below, the refunding is projected to achieve net present value savings and material annual cash flow savings, particularly in the near term (FY 2027 through FY 2029). In addition to lowering overall borrowing costs, the refunding would simplify the Successor Agency's debt profile and associated reporting requirements by reducing the total number of outstanding series and by shortening the final maturity by approximately 6 years.

Summary of Estimated Refunding Results



Savings estimates based on market rates as of March 31, 2026; based on an aggregate true interest cost of 3.08%. Final structure and true interest cost subject to change.

The proposed structure also incorporates several optimization strategies, including (i) replacing existing cash-funded reserve accounts with surety policies provided by a bond insurer, allowing excess reserve funds to be applied toward the refinancing to reduce the size of the 2026 Refunding Bonds, and (ii) restructuring later maturities into earlier years to shorten the final maturity of the debt and maximize cash flow relief to the taxing entities.

The anticipated savings meet the threshold for required savings for tax allocation refunding bonds under Section 34177.5(a)(1) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code. Up until such date as the 2026 Refunding Bonds are sold to bond investors, the interest rates on the 2026 Refunding Bonds are subject to change. Nevertheless, as a condition of issuance, the 2026 Refunding Bonds must result in the required savings as identified under Section 34177.5(a)(1).

CURRENT FLOW OF FUNDS

The Prior Bonds are secured by tax increment derived from the Los Medanos Project Area. Since the dissolution of redevelopment agencies in 2012, any residual tax increment after paying debt service and pass through payments to taxing entities is shared among all taxing entities in the project area.

The table to the right summarizes each taxing entity's share of the residual tax revenues. These relative shares also apply to each taxing entity's share of the anticipated savings from issuing the 2026 Refunding Bonds. In addition to the City of Pittsburg General Fund, many other local taxing entities are anticipated to benefit from a refunding of the Prior Bonds.

Estimated Taxing Entity Shares of Net Tax Revenues and Refunding Savings

Taxing Entities	Approximate Share
K-12 Schools	27.21%
Special Districts	26.50%
City of Pittsburg General Fund	17.07%
ERAF - K-12	11.48%
County General Fund	9.80%
Contra Costa Community College	4.63%
County Office of Education	1.60%
ERAF - Community College	1.71%
Total	100.00%

SUMMARY OF FINANCING DOCUMENTS

Successor Agency staff and financing team have worked with Jones Hall LLP (Bond and Disclosure Counsel) and Stradling Yocca Carlson & Rauth (Underwriter's Counsel) to prepare drafts of the following documents as part of the issuance process for the 2026 Refunding Bonds:

- Oversight Board Resolution:** Adoption of this resolution would authorize the Successor Agency staff to continue the process of issuing the 2026 Refunding Bonds. This document establishes savings parameters, pursuant to California Health and Safety Code Section 34177.5, and sets the not-to-exceed par amount for the 2026 Refunding Bonds, as well as making other findings.
- Agency Resolution:** This resolution was considered and approved by the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of Pittsburg at its meeting on April 20, 2026. Further, by adoption, this resolution approves the financing documents attached thereto and authorizes City staff to proceed with issuing the 2026 Refunding Bonds, provided the conditions in the resolution are met. Finally, the Successor Agency resolution authorizes staff to submit a request for approval to California Department of Finance ("DOF") related to the issuance of the 2026 Refunding Bonds.
- Indenture of Trust:** The Indenture of Trust between the Successor Agency and the Bank of New York Mellon Trust Company, N.A. ("Trustee") contains key provisions related to the 2026 Refunding Bonds. In addition to setting key terms for the bonds (including redemption provisions, sinking fund provisions, establishment of funds, and outlining the key covenants), the Indenture of Trust outlines the role of the Trustee in ongoing administration for the 2026 Refunding Bonds on behalf of the bond owners. In addition, it defines events of default and the Trustee's role in such an event. This draft document has some blank spaces because the final bond par, maturity, and key dates will not be known until the sale of the 2026 Refunding Bonds.
- Irrevocable Refunding Instructions:** The Irrevocable Refunding Instructions to the Trustee outlines the actions the Trustee must take to refund the Prior Bonds. This draft document has blank spaces and blank forms in Exhibits A and B1-B4 of that document

because the final bond par, maturity, and dates will not be final until the sale of the 2026 Refunding Bonds.

- **Bond Purchase Agreement:** The Bond Purchase Agreement is the contract between the Successor Agency and the Stifel Nicolaus (the “Underwriter”). Upon sale of the 2026 Refunding Bonds, the Bond Purchase Agreement will include the final 2026 principal amounts and interest rates. In addition, this document describes the conditions for closing of the 2026 Refunding Bonds.

In addition to these financing documents, Successor Agency staff will be working with its financing team and Disclosure Counsel to prepare a Preliminary Official Statement for the 2026 Refunding Bonds that will serve as the primary marketing piece used to sell the 2026 Refunding Bonds to investors. That Preliminary Official Statement will include a Fiscal Consultant’s Report that outlines key credit characteristics of the Project Area. The Preliminary Official Statement will be brought before the Successor Agency Board for consideration and approval at a subsequent meeting.

ANTICIPATED TIMING

To proceed with the refunding, the Successor Agency must complete the approval process required under redevelopment dissolution law. Key steps include:

- Successor Agency Board approval of the financing documents and refunding plan, which was completed on April 20, 2026
- Oversight Board approval of the financing documents and refunding plan
- California Department of Finance (“DOF”) review and approval
- Completion of the subordination process for affected taxing entities
- Pricing, sale, and closing of the 2026 Refunding Bonds

The current schedule anticipates completing the approval process for the Successor Agency Board and Oversight Board in April, DOF review and approval by the end of June, bond pricing in July, and 2026 Refunding Bonds closing in early August 2026.

ATTACHMENTS

- Exhibit A – Savings Report
- Exhibit B – Oversight Board Resolution
- Exhibit C – Executed Successor Agency Resolution
- Exhibit D – Indenture
- Exhibit E – Irrevocable Refunding Instructions
- Exhibit F – Bond Purchase Agreement

Report Prepared By: Elena Adair, Finance Director, Successor Agency to the
Redevelopment Agency of the City of Pittsburgh