

**REPORT FROM**

## **OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: February 2, 2026

CAO File No. 0220-05291-1813  
Council File No. 25-1431  
Council District: ALL

To: The Mayor  
The City Council

From: Matthew W. Szabo, City Administrative Officer 

Reference: ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2026-A (TAXABLE) (SOCIAL BONDS) FOR PROPOSITION HHH PROJECTS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$86.015 MILLION

Subject: **ACTUAL COST INFORMATION FOR GENERAL OBLIGATION BONDS, SERIES 2026-A (TAXABLE) (SOCIAL BONDS)**

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### **RECOMMENDATION**

That the Council note and file the report as no further action is required at this time.

### **SUMMARY**

Pursuant to a resolution (the "Authorizing Resolution") adopted on December 10, 2025, Council authorized the issuance and sale of the General Obligation Bonds, Series 2026-A (Taxable) (Social Bonds) (the "Bonds") to fund Proposition HHH projects (C.F. No. 25-1431). Pursuant to the Authorizing Resolution, the Assistant City Administrative Officer executed the Award Certificate for the Bonds in the aggregate principal amount of \$86,015,000 to UBS Financial Services Inc. (UBS) and subsequently issued the Bonds on January 27, 2026.

This Office is providing actual cost information for the Bonds in accordance with Section 53509.5 of the California Government Code. The true interest cost for the Bonds is 4.755 percent, which represented the lowest true interest cost submitted by UBS, the winning bidder. The estimated designated costs of issuance for the Bonds is \$483,579. Costs of issuance include expenses such as underwriter's discount, legal services, financial advisory services, rating fees, and printing costs. The interest cost on the Bonds totals \$45,511,550. The terms and interest rates of the Bonds are attached to this report.

### **FISCAL IMPACT STATEMENT**

There is no fiscal impact on the General Fund from the issuances of the Bonds as the City will repay the Bonds from ad valorem taxes levied upon all of the taxable properties within the City.

## **FINANCIAL POLICIES STATEMENT**

The City's Financial Policies, Debt Management Section, requires that debt service on voter-approved and non-voter approved debt combined shall be no more than 15 percent of general revenues. There is no impact to the 2025-26 debt ratio as the first debt service payment on the Bonds will occur in 2026-27. After accounting for the issuance of the Bonds, the 2026-27 debt ratio is 3.85 percent.

## **DEBT IMPACT STATEMENT**

The issuance of the Bonds will result in average annual debt service payments of \$6.7 million over 18.5 years. The total debt service, including total principal and interest, over the life of the Bonds is \$131.5 million. The City will repay the Bonds from ad valorem taxes levied upon all of the taxable properties within the City.

Attachment

*MWS:AG:09260119*



SOURCES AND USES OF FUNDS

**\$86,015,000**  
**City of Los Angeles**  
**General Obligation Bonds**  
**Series 2026-A (Taxable) (Social Bonds)**  
**Winning Bid - UBS**  
**\*\*\* FINAL \*\*\***

Dated Date            01/27/2026  
Delivery Date        01/27/2026

Sources:

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Bond Proceeds:	
Par Amount	86,015,000.00
Net Premium	1,659,656.55
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	87,674,656.55
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Uses:

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Project Fund Deposits:	
Project Fund	86,015,000.00
Other Fund Deposits:	
Deposit to Interest Account	1,176,077.69
Delivery Date Expenses:	
Cost of Issuance	368,583.00
Underwriter's Discount	<hr/> 114,995.86
	483,578.86
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	87,674,656.55
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## BOND SUMMARY STATISTICS

**\$86,015,000**  
**City of Los Angeles**  
**General Obligation Bonds**  
**Series 2026-A (Taxable) (Social Bonds)**  
**Winning Bid - UBS**  
**\*\*\* FINAL \*\*\***

Dated Date	01/27/2026
Delivery Date	01/27/2026
First Coupon	03/01/2027
Last Maturity	09/01/2045
Arbitrage Yield	
True Interest Cost (TIC)	4.755000%
Net Interest Cost (NIC)	4.825899%
All-In TIC	4.809110%
Average Coupon	4.995444%
Average Life (years)	10.592
Weighted Average Maturity (years)	
Duration of Issue (years)	7.989
Par Amount	86,015,000.00
Bond Proceeds	87,674,656.55
Total Interest	45,511,550.13
Net Interest	43,966,889.44
Total Debt Service	131,526,550.13
Maximum Annual Debt Service	8,711,617.50
Average Annual Debt Service	6,712,440.89
Underwriter's Fees (per \$1000)	
Average Takedown	1.196928
Other Fee	0.140000
Total Underwriter's Discount	1.336928
Bid Price	101.795804

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
Serial Bonds	72,440,000.00	102.658	4.97836841%	9.092	03/01/2035	7.176	46,037.45
Term Bonds	13,575,000.00	98.043	5.04000000%	18.594	08/31/2044	12.232	16,290.00
	86,015,000.00			10.592			62,327.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	86,015,000.00	86,015,000.00	
+ Accrued Interest			
+ Premium (Discount)	1,659,656.55	1,659,656.55	
- Underwriter's Discount	-114,995.86	-114,995.86	
- Cost of Issuance Expense		-368,583.00	
- Other Amounts			
Target Value	87,559,660.69	87,191,077.69	
Target Date	01/27/2026	01/27/2026	01/27/2026
Yield	4.755000%	4.809110%	