CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

# Memorandum

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** Maria Öberg

**SUBJECT:** **Comprehensive Annual Debt Report for Fiscal Year Ended June 30, 2025**

**DATE:** November 17, 2025

Approved [signature] Date: 11/24/25

**COUNCIL DISTRICT:** Citywide

## RECOMMENDATION

Accept the Comprehensive Annual Debt Report for the City of San José for Fiscal Year 2024-2025.

## SUMMARY AND OUTCOME

Acceptance of the Comprehensive Annual Debt Report (CADR) for Fiscal Year 2024-2025 will provide relevant information related to the debt portfolio of the City of San José and its related entities to the City Council, residents of San José, creditors, investors, and other interested parties. This document augments the disclosure practices described in the City Council Debt Management Policy,[1] and is a starting point for those interested in finding out information on the outstanding debt of the City of San José and its related entities. See Attachment - FY 2024-2025 Comprehensive Annual Debt Report.

## BACKGROUND

The City of San José (City) Finance Department oversees debt issuances and the management of outstanding debt issued by the City, the Successor Agency to the Redevelopment Agency, and other related entities. The FY 2024-2025 CADR provides a detailed description of the debt issuance and management activities for the period of July 1, 2024 through June 30, 2025, and is divided into four key sections:

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[1] City Council Debt Management Policy
https://www.sanjoseca.gov/home/showpublisheddocument/96137/638162166456300000

- An overview of the City's debt management program;
- A summary of recent debt issuance activities;
- A discussion of the key debt administration tasks; and
- A review of the outstanding debt portfolio.

## ANALYSIS

The Fiscal Year 2024-2025 CADR provides a comprehensive review of the City's debt management portfolio activities.

The CADR discusses the activities undertaken and managed by Debt Management staff in the Finance Department. This annual report is prepared pursuant to Section II(B) of the City Council-adopted Debt Management Policy. Major sections of the report summarize recent debt issuance activities, discuss key debt administration tasks, review the outstanding debt portfolio, and describe projects anticipated for the next fiscal year.

In Fiscal Year 2024-2025, the Finance Department oversaw the issuance of $97.7 million of debt consisting of $20.7 million in tax-exempt City of San José Financing Authority (CSJFA) Lease Revenue Commercial Paper Notes, $76.4 million in Airport Revenue Refunding Bonds, Series 2024A (Alternative Minimum Tax) and $0.6 million in City of San José Norman Y. Mineta International Airport Subordinated Commercial Paper Notes.

In addition, the Finance Department led the preparation for the issuance of Clean Energy Project Revenue Bonds, Series 2024E. The California Community Choice Financing Authority issued the 2024E Bonds in an amount of $1.2 billion for the benefit of the City to prepay a 30-year supply of energy. The 2024E Bonds do not constitute an obligation of the City and are excluded from the City's outstanding debt portfolio.

As of June 30, 2025, the City had an outstanding debt portfolio of 78 debt obligations totaling $4.3 billion, consisting of 74 series of bonds/notes, two commercial paper programs, one revolving line of credit facility for the San José-Santa Clara Regional Wastewater Facility, and one revolving credit facility for San José Clean Energy. Of the 74 series of bonds, 19 series are debt of the City, the Successor Agency to the Redevelopment Agency, or related entities while the remaining 55 series are multifamily housing revenue bonds or notes for which private developers are the obligors and the City is the conduit issuer.

The City continues to receive high ratings from major national rating agencies. Please see the Table on the following page for rating details regarding General Obligation Bonds, CSJFA Lease Revenue Bonds, Airport Revenue Bonds, and Wastewater Revenue Bonds.

| | **Moody's** | **S&P** | **Fitch** | **KBRA** |
|---|---|---|---|---|
| CSJ General Obligation Bonds | Aa1 | AA+ | AAA | |
| CSJFA Lease Revenue Bonds(1) | Aa2 | AA | AA | |
| CSJFA Lease Revenue Bonds(2) | Aa3 | AA | AA- | |
| CSJFA Lease Revenue Bonds(3) | Aa3 | AA | AA | |
| Airport Revenue Bonds | A2 | A | A | |
| Wastewater Revenue Bonds (4) | | AAA | AAA | AAA |

(1) Series 2013B (Civic Center Garage), 2020A (Civic Center Refunding), 2021A (Fire Department Training Center and Central Service Yard projects)
(2) Series 2020B (Ice Centre Project)
(3) Series 2022A (Convention Center Refunding Project)
(4) Series 2022B issued by CSJFA (Green Bonds – Climate Bond Certified)

## EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

## COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

## PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the December 9, 2025 City Council meeting.

## COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

## CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

## PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

Maria Öberg

Maria Öberg
Director of Finance

For questions, please contact Qianyu Sun, Deputy Director of Debt and Treasury, Finance Department, at qianyu.sun@sanjoseca.gov or (408) 535-7832.

**ATTACHMENT** – FY 2024-2025 Comprehensive Annual Debt Report