

# CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

June 15, 2021

Agenda Item: 5.13

**Subject:** Adoption of Resolution No. 10-2021, Resolution Authorizing the Issuance of the Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) 2021 General Obligation Refunding Bonds

Background: On March 2, 2004, the voters of the Chabot Las-Positas Community College District (the “District”) approved the issuance of not-to-exceed \$498,000,000 of general obligation bonds (“Measure B”). Pursuant to Measure B, the District previously issued \$229,159,709.55 of its General Obligation Bonds, Election of 2004, Series 2006B (the “Series 2006B Bonds”) and \$168,838,667.35 General Obligation Refunding Bonds, Election of 2004, Series 2006C (the “Series 2006C Bonds”).

On March 19, 2013, the District issued \$289,105,000 of its 2013 General Obligation Refunding Bonds (2016 Crossover Refunding) (the “Prior Bonds”) to refund a portion of the then-outstanding Series 2006B Bonds and Series 2006C Bonds. The District now desires to advance refund a portion of the outstanding Prior Bonds (so refinanced, the “Refunded Bonds”), thereby generating savings for District taxpayers, through the issuance of general obligation refunding bonds (the “Refunding Bonds”) pursuant to Government Code Section 53550 *et seq.*

All benefits from the refunding will be delivered to the property owners in the District. The final maturity of the Refunding Bonds will not be later than the final maturity date of the Refunded Bonds (August 1, 2032).

(a) Bond Resolution. This Resolution authorizes the issuance of the Refunding Bonds, in one or more series of federally tax-exempt bonds. The Resolution authorizes the issuance of the Refunding Bonds, specifies the basic terms, parameters and forms of the Refunding Bonds, and approves the forms of the Purchase Contract, Continuing Disclosure Certificate, Escrow Agreement and Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Refunding Bonds to be issued (\$275,000,000). Section 4 of the Resolution states the maximum underwriting discount (0.40%) with respect to the Refunding Bonds and authorizes the Refunding Bonds to be sold at a negotiated sale to the firms identified as underwriters in the Preliminary Official Statement (the “Underwriters”). The Resolution authorizes the issuance of current interest bonds only; capital appreciation bonds are not authorized.

(b) Form of Purchase Contract. Pursuant to the Purchase Contract, the Underwriters will agree to buy the Refunding Bonds from the District. All of the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Refunding Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement (“POS”) is the offering document describing the Refunding Bonds which may be distributed to prospective purchasers of the Refunding Bonds. The POS discloses information with respect to, among other things, (i) the proposed uses of proceeds of the Refunding Bonds, (ii) the terms of the Refunding Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Refunding Bonds, if any, (iv) the security for repayment of the Refunding Bonds (the tax levy), (v) information with respect to the District’s tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Refunding Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Refunding Bonds. Following the pricing of the Refunding Bonds, a final Official Statement for the Refunding Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from a bond issuer a covenant that such bond issuer will annually file material financial information and operating data with respect to the issuer, as well as notices of the occurrence of certain enumerated events, through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (which is the federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligation issuances). This requirement is expected to be satisfied annually by the filing of the District’s audited financial statements and other operating information about the District, and from time to time by the filing of notices of enumerated events, in the same manner the District has filed in connection with prior bond issuances. The purpose of the law is to provide investors in the Refunding Bonds with current information regarding the District.

(e) Escrow Agreement. Pursuant to the Escrow Agreement, proceeds from the sale of the Refunding Bonds will be deposited in an escrow fund (the “Escrow Fund”) held by U.S. Bank National Association (acting as “Escrow Agent”). The monies in the Escrow Fund will be used by the Escrow Agent to refund the Refunded Bonds on the first optional redemption date. Following the deposit of proceeds into the Escrow Fund, the Refunded Bonds will be defeased, and the obligation of Alameda County and Contra Costa County to levy a tax for the payment thereof will cease.

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Fiscal Impact: There is no fiscal impact to the General Fund resulting from the issuance of the Refunding Bonds.

Recommended Action: That the Board of Trustees adopt resolution No.10-2021, authorizing the issuance of the Chabot-Las Positas Community College District (Alameda and Contra Costa Counties, California) 2021 general obligation refunding bonds. It is further recommended that the Board authorize the Vice Chancellor of Business Services to execute this resolution on behalf of the District.

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Submitted by: Jonah R. Nicholas/Date

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Approved: Ronald P. Gerhard/Date

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