

# CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

June 15, 2021

Agenda Item: 5.14

**Subject:** Adoption of Resolution No.11-2021, a Resolution of the Board of Trustees of the Chabot-Las Positas Community College District, Authorizing the Issuance of Election of 2016 General Obligation Bonds Series B and Actions Related Thereto

Background: A duly called election was held in the Chabot-Las Positas Community College District (the “District”) on June 7, 2016 (the “Election”) at which there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum amount not-to-exceed \$950,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”);

The District has previously issued one series of general obligation bonds under the Authorization. The District now desires to issue the second series of bonds under Measure A in an amount not-to-exceed \$200,000,000 (the “Bonds”). The Bonds are being authorized for sale for the purpose of providing funds to finance projects approved by Measure A and to pay the costs of issuing the Bonds.

(a) Bond Resolution. This Resolution authorizes the issuance of Bonds, in one or more series of federally taxable or tax-exempt bonds. The Resolution authorizes the issuance of the Bonds, specifies the basic terms, parameters and form of the Bonds, and approves the forms of Purchase Contract, Preliminary Official Statement, and Continuing Disclosure Certificate described below. In particular, Section 1 of the Resolution establishes the maximum aggregate initial principal amount of the Bonds to be issued (\$200,000,000). Section 4 of the Resolution states the maximum underwriting discount (0.4%) with respect to the Bonds, the maximum legal interest rate on the Bonds, and authorizes the Bonds to be sold at a negotiated sale to the firms identified in the Preliminary Official Statement as the underwriters (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 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 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 (the “POS”) is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to, among other things, (i)

the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the *ad valorem* property tax levy), (v) information with respect to the Improvement 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 Bonds and the District, and (viii) absence of material litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the 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 Bonds with current information regarding the District.

FISCAL IMPACT: There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.

Recommended Action: That the Board of Trustees adopt Resolution No. 11-2021, authorizing the Issuance of Election of 2016 General Obligation Bonds Series B and Actions Related Thereto. It is further recommended that the Board authorize the Vice Chancellor of Business Services 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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