



24-5632

**DATE:** May 7, 2024 (Item No. {{item.number}})

**TO:** Board of Supervisors

**FROM:** Margaret Olaiya, Finance Director

**SUBJECT:** Gavilan Joint CCD Election of 2018 General Obligation Bonds, Series C

### **RECOMMENDED ACTION**

Adopt Resolution authorizing the Gavilan Joint Community College District to sell Election of 2018 General Obligation Bonds, Series C on its own behalf in an amount not to exceed \$60,000,000.

### **FISCAL IMPLICATIONS**

There is no fiscal impact to the County of Santa Clara (the “County”). The County incurs no financial liability from this financing, and neither the faith and credit nor the taxing power of the County is pledged in any way in connection with this financing.

The attached resolution, as written, allows the County to recover any additional investment management costs incurred by the County for investing outside of the County Pooled Investment Fund (the “Commingled Pool”). These include, but are not limited to, staffing or financial resources expended on behalf of the Gavilan Joint Community College District (the “District”) beyond those provided by the Commingled Pool.

### **REASONS FOR RECOMMENDATION AND BACKGROUND**

This resolution is required by Education Code 15140(b) for the District to issue and sell Election of 2018 General Obligation Bonds on its own behalf. General obligation bonds are funded through property tax assessments. The Finance Agency collects the assessments and facilitates the appropriate debt service payments. As provided by the District’s resolution, the bond proceeds must be deposited into the County Treasury until expended. A copy of the District’s resolution and related documents are on file at the Finance Agency.

On November 6, 2018, the voters of the District approved the issuance of general obligation bonds for the various purposes set forth in the ballot for a maximum amount not to exceed \$248,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”).

On April 2, 2019, the District issued the first two series of bonds under the Authorization designated as “Gavilan Joint Community College District (Santa Clara and San Benito Counties, California) Election of 2018 General Obligation Bonds, Series A (Federally Tax-

Exempt)” in the aggregate principal amount of \$26,600,000 and “Gavilan Joint Community College District (Santa Clara and San Benito Counties, California) Election of 2018 General Obligation Bonds, Series A-1 (Federally Taxable)” in the aggregate principal amount of \$11,400,000.

On October 15, 2020, the District issued the third and fourth series of bonds under the Authorization designated as “Gavilan Joint Community College District (Santa Clara and San Benito Counties, California) Election of 2018 General Obligation Bonds, Series B (Federally Tax-Exempt)” in the aggregate principal amount of \$40,000,000 and “Gavilan Joint Community College District (Santa Clara and San Benito Counties, California) Election of 2018 General Obligation Bonds, Series B-1 (Federally Taxable)” in the aggregate principal amount of \$65,000,000.

On April 9, 2024, the Governing Board of the District adopted a resolution authorizing the issuance of a fifth series of bonds under the Authorization in an aggregate principal amount not to exceed \$60,000,000, to be designated as “Gavilan Joint Community College District (Santa Clara and San Benito Counties, California) Election of 2018 General Obligation Bonds, Series C.”

The District is requesting the bond issuance under California Education Code Section 15140(b), under which the Board of Supervisors may authorize a school district to issue and sell bonds on its own behalf and without further action by the Board of Supervisors or other offices of the County.

### **CHILD IMPACT**

The recommended action will have no/neutral impact on children and youth.

### **SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

### **SUSTAINABILITY IMPLICATIONS**

The recommended action will have no/neutral sustainability implications.

### **CONSEQUENCES OF NEGATIVE ACTION**

The District would be unable to issue the bonds.

### **STEPS FOLLOWING APPROVAL**

Direct the Clerk of the Board to mail one certified copy of the approved resolution to: Stradling Yocca Carlson & Rauth, P.C., C/O Carlos Villafuerte, 44 Montgomery Street, Suite 4200, San Francisco, CA 94104.

### **ATTACHMENTS:**

- District Resolution
- County Resolution