

## Board of Trustees Regular Meeting (VIII.B)

Meeting	November 15, 2022
Agenda Item	Resources (VIII.B)
Subject	Resources Committee 2022 Certificate of Participation Financing
College/District	District
Funding	General Fund
Recommended Action	Recommend approving the Resolution No. 19-22/23 authorizing the execution and delivery of documents relating to the sale and delivery of Riverside Community College District Certificates of Participation, series 2022, and authorizing and directing certain actions in connection therewith.

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### Background Narrative:

Riverside Community College District (the "District") is considering entering into a certificate of participation financing through the sale and delivery of its Certificates of Participation, Series 2022 (the "Certificates"), to finance the purchase of solar and certain other capital improvements to District sites and facilities (the "Project"). The resolution of the Board (the "Resolution") authorizes the execution and delivery of the Certificates, and approves the forms of the legal documents described below.

Resolution: The Resolution authorizes the execution and delivery of the Certificates, specifies certain basic terms of the Certificates, and approves the forms of certain legal documents described below. In particular, Section 2 of the Resolution establishes the maximum aggregate principal amount of the Certificates to be executed and delivered (\$30,000,000). Section 3 of the Resolution authorizes the Certificates to be sold at a negotiated sale to the Underwriter, and provides the maximum underwriting discount (0.35%) with respect to the Certificates.

Legal Documents: The Resolution approves the forms of the Lease/Purchase Agreement, Trust Agreement, Site Lease, Purchase Contract, and Preliminary Official Statement. Further, the Chancellor and Vice Chancellor, Business and Financial Services are authorized to take any and all actions necessary to consummate the sale, execution and delivery of the Certificates and the completion of the associated legal documents.

Prepared By: Aaron S. Brown, Vice Chancellor, Business & Financial Services

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**RESOLUTION NO. 19-22/23**

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO THE SALE AND DELIVERY OF RIVERSIDE COMMUNITY COLLEGE DISTRICT CERTIFICATES OF PARTICIPATION, SERIES 2022, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION THEREWITH**

**WHEREAS**, the Riverside Community College District (the "District") is a community college district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "State"); and

**WHEREAS**, the District desires to finance the purchase of solar and certain other capital improvements to District sites and facilities (the "Project"); and

**WHEREAS**, in order to finance the Project, the District will lease certain real property, known as the Salvatore G. Rotella Digital Library and Learning Resource Center, and improvements thereto (the "Property"), to the Public Property Financing Corporation of California (the "Corporation") pursuant to a Site Lease, dated as of December 1, 2022, between the Corporation and the District, and sublease the Property back from the Corporation pursuant to a Lease/Purchase Agreement; and

**WHEREAS**, the District has determined that it would be in the best interests of the District to provide the funds necessary to finance the Project through the sale of its Certificates of Participation, Series 2022 (the "Certificates") under the Trust Agreement described below; and

**WHEREAS**, all rights to receive lease payments will be assigned without recourse by the Corporation to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), pursuant to an Assignment Agreement, dated as of December 1, 2022, by and between the Corporation and the Trustee (the "Assignment Agreement"); and

**WHEREAS**, in consideration of such assignment and the execution of a Trust Agreement, the Trustee will execute and deliver the Certificates, each evidencing a direct, fractional undivided interest in lease payments to be made under the Lease/Purchase Agreement; and

**WHEREAS**, this Board of Trustees of the District (the "Board") desires to appoint certain professionals to provide services related to the execution and delivery of the Certificates; and

**WHEREAS**, all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed precedent to and in connection with the consummation of the financing authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such financing for the purpose, in the manner and upon the terms herein provided;

**NOW, THEREFORE, IT IS RESOLVED BY THE BOARD OF TRUSTEES OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT (THE "BOARD") AS FOLLOWS:**

**SECTION 1. Findings.** The Board hereby specifically finds and declares that the actions authorized hereby constitute and are true and correct with respect to the public affairs of the District, and that the statements, findings and determinations of the District set forth in the preambles of the documents approved herein are true and correct, and the Board hereby declares its intention to enter into the Lease/Purchase Agreement described in Section 3 hereof.

**SECTION 2. Authorization of Certificates.** The Board hereby authorizes the financing of the Project, through the preparation, sale and delivery of Certificates in an amount not to exceed \$30,000,000. The Board hereby authorizes the execution and delivery of the Certificates in one or more than one series of federally taxable or tax-exempt certificates. The purposes for which the proceeds of the sale of the Certificates shall be expended are to (i) finance the purchase of solar and certain other capital improvements to District sites and facilities, and (ii) pay the costs of the sale and delivery of the Certificates.

**SECTION 3. Legal Documents.** The forms of the following legal documents, substantially in the forms on file with the Secretary to the Board, are hereby approved: (i) a Lease/Purchase Agreement between the District and the Corporation, dated as of December 1, 2022 (the "Lease"), (ii) a Trust Agreement, dated as of December 1, 2022 (the "Trust Agreement"), among the District, the Corporation and the Trustee, (iii) a Purchase Contract between the District and the Underwriter, as named in the Purchase Contract (the "Purchase Contract"), and (iv) a Site Lease, dated as of December 1, 2022 (the "Site Lease"), between the Corporation and the District.

The President of the Board, the Chancellor of the District, the Vice Chancellor, Business and Financial Services of the District, or such other officer or official as the Chancellor or the Vice Chancellor, Business and Financial Services may appoint (collectively, the "Authorized Representatives"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to execute and deliver each of the above-mentioned documents in substantially said form, with such changes therein as such officer or person or persons may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The execution and approval of the Purchase Contract is subject to the following limitations: (i) that the interest rates with respect to the Certificates shall not exceed that permitted by law; (ii) that the underwriting discount (excluding original issue discount) does not exceed 0.35%, and (iii) the aggregate principal amount of the Certificates does not exceed \$30,000,000.

**SECTION 4. Preliminary Official Statement.** The Preliminary Official Statement (the "Preliminary Official Statement") relating to the Certificates, substantially in the form on file with the Secretary to the Board, is hereby approved and the Authorized Representatives, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriters to be used in connection with the offering and sale of the Certificates. The Authorized Representatives, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriters a final Official Statement (the "Official Statement"), substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as Authorized Representatives executing the same shall approve. The

Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Certificates and is directed to deliver copies of the final Official Statement to the purchasers of the Certificates.

**SECTION 5. Continuing Disclosure Certificate.** The form of the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), relating to the Certificates, substantially in form included as Appendix D to the Preliminary Official Statement, is hereby approved. The Authorized Representatives are hereby authorized and directed, each alone, for and in the name and on behalf of the District, to execute, acknowledge and deliver, the Continuing Disclosure Certificate, in such form, with such changes or modifications thereto as such officer or person or persons may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**SECTION 6. Certificate Insurance and Surety Policy.** The Authorized Representatives are hereby authorized to select a municipal bond insurer to insure payments of interest and principal with respect to the Certificates so long as such Authorized Representative determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity with respect to the Certificates. The Authorized Representatives are further authorized to select a municipal bond insurer to provide a surety policy with respect to the Reserve Fund (as defined in the Trust Agreement) and to execute and deliver an agreement relating to such surety policy.

**SECTION 7. Appointment of Professionals.** The Board hereby appoints Stradling Yocca Carlson & Rauth, a Professional Corporation as special counsel and disclosure counsel to the District, and Piper Sandler & Co. as Underwriter and Keygent LLC as Municipal Advisor, each with respect to the sale of the Certificates. The Authorized Representatives are authorized to execute a contract for such services so long as any payment thereunder is contingent upon the successful sale of the Certificates.

**SECTION 8. Attestations.** The Secretary to the Board, the Authorized Representatives, or such persons as may have been designated by the Chancellor of the District or the Vice Chancellor, Business and Financial Services of the District are hereby authorized and directed to attest to the signature of the Authorized Representatives or of such other person or persons as may have been designated by the Superintendent/President or the Assistant Superintendent/Vice-President for Administrative Services, and to affix and attest the seal of the District, as may be required or appropriate in connection with the execution and delivery of the Lease, the Trust Agreement, the Continuing Disclosure Certificate, the Purchase Contract, Site Lease, and the Official Statement.

**SECTION 9. Other Actions.**

(a) The Authorized Representatives are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable (including the payment of a premium for a municipal bond insurance policy, a debt service surety bond, or other form of credit enhancement) in order to consummate the sale, execution and delivery of the Certificates and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

(b) Based on a good faith estimate from the Municipal Advisor, the District finds that (i) the True Interest Cost of the Certificates (as defined in Government Code Section 5852.1) is expected to be approximately 5.20%, (ii) the total Finance Charge of the Certificates (as defined in Government

Code Section 5852.1) is expected to be \$523,000, (iii) the total proceeds expected to be received by the District from the sale of the Certificates, less the Finance Charge of the Certificates, and less any reserves or capitalized interest paid or funded with proceeds of the Certificates, is \$20,000,000, and (iv) the District expects that the Total Payment Amount (as defined in Government Code Section 5852.1), calculated to the final maturity of the Certificates, will be \$39,226,000. The information presented in this Section 9(b) is included in satisfaction of Government Code Section 5852.1, and shall not abrogate or otherwise limit any provision of this Resolution.

(c) The District hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Government Code Section 16.5 using DocuSign.

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**SECTION 10. Effect.** This Resolution shall take effect immediately upon its passage.

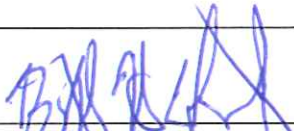
PASSED, ADOPTED AND APPROVED this 15th day of November, 2022, by the following vote:

AYES: MEMBERS \_\_\_\_\_

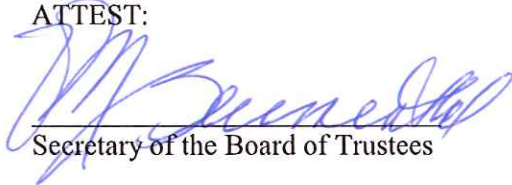
NOES: MEMBERS \_\_\_\_\_

ABSTAIN: MEMBERS \_\_\_\_\_

ABSENT: MEMBERS \_\_\_\_\_

  
\_\_\_\_\_  
President of the Board of Trustees

ATTEST:

  
\_\_\_\_\_  
Secretary of the Board of Trustees

SECRETARY'S CERTIFICATE

I, Virginia Blumenthal, Secretary of the Board of Trustees of the Riverside Community College District, Riverside County, California, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on November 15, 2022, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: November 15, 2022

  
Secretary of the Board of Trustees