



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY COUNSEL

File #: 19-287

Board Meeting Date: 4/9/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John C. Beiers, County Counsel

Subject: Issuance and Sale by the Sequoia Union High School District of its General Obligation Bonds, Election of 2014, Series 2019

RECOMMENDATION:

Adopt a resolution authorizing the Sequoia Union High School District to issue and sell its General Obligation Bonds, Election of 2014, Series 2019 in an aggregate principal amount not to exceed \$33,000,000 by competitive or negotiated sale, without further action of the County.

BACKGROUND:

The voters in the Sequoia Union High School District ("District") approved by more than fifty-five percent of the voters a school bond measure on June 3, 2014, authorizing the issuance of general obligation bonds in the maximum aggregate principal amount of up to \$265,000,000 (the "Bond Measure"). The District previously issued, or caused the County to issue on the District's behalf, the "Sequoia Union High School District General Obligation Bonds, Election of 2014, Series 2014" (the "2014 Bonds") in the original principal amount of \$112,000,000 for authorized school purposes, as well as the "Sequoia Union High School District General Obligation Bonds, Election of 2014, Series 2016" (the "2016 Bonds") in the original principal amount of \$120,000,000 for authorized school purposes.

On March 13, 2019, the Board of Trustees of the District, a school district under the jurisdiction of the Superintendent of Schools of the County of San Mateo, adopted a resolution (the "District Resolution") providing for the issuance and sale of its "Sequoia Union High School District General Obligation Bonds, Election of 2014, Series 2019," in an aggregate principal amount not to exceed \$33,000,000 (the "2019 Bonds"). The District now desires to issue and sell the 2019 Bonds on its own behalf, and District staff has requested that the County Board of Supervisors authorize the District to do so.

DISCUSSION:

State law generally provides that the County may issue and sell general obligation bonds on behalf of a school district, but California Government Code §§ 53506 et. seq. and Education Code § 15140(b)

also allow the Board of Supervisors to authorize the District to sell and issue bonds directly on its own behalf without further action of the Board of Supervisors or officers of the County.

The District is being assisted by Orrick, Herrington & Sutcliffe LLP as bond counsel, and Keygent LLC, as financial advisor.

Authorizing the District to issue and sell its own bonds will contribute to the Shared Vision 2025 outcome of Collaborative Community by supporting fiscal accountability.

FISCAL IMPACT:

These bonds are general obligations of the District, and do not constitute an obligation of the County. No County funds are pledged or obligated to the payment of the bonds.