

FINDINGS AND DETERMINATION THAT AN ITEM MAY BE SUBSEQUENTLY
ADDED TO THE AGENDA OF THE BOARD OF SUPERVISORS



DATE: November 3, 2009

The BOARD OF SUPERVISORS of Riverside County hereby finds:

- That there is a need to place an item on the agenda for action by the Board of Supervisors.
 - An emergency situation exists as defined in Government Code Section 54956.5 in that:
 - (a) Work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body.
 - (b) Crippling disaster which severely impairs public health, safety or both as determined by a majority of the members of the legislative body.
 - The item on which the action is to be taken came to the attention of the County subsequent to the agenda being posted and there is need to take immediate action on the item.
 - The item was continued for no more than five calendar days from a prior meeting for which the item was posted.

JUSTIFICATION: There is an exigent need to Adopt Resolution 2009-331 – releasing Corona Norco Unified School District, Election of 2006, General Obligation Bonds, in One or More Series, Board Item 3.61.

Due to the financial deadlines of the refunding and the legal requirements to publish an official statement prior to those deadlines, there is a need to take immediate action. Staff recently learned there will not be a quorum on the November 10 meeting of the Board of Supervisors. Additionally, due to other circumstances there will not be a quorum until November 24.

3.61 a

The Riverside County Superintendent of Schools has jurisdiction over the Corona-Norco Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore both the Government Code and the Education Code provide that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District.

An election was held on November 7, 2006, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Sections 15266, 15100 *et seq.* and 15140 *et seq.* of the Education Code which codify, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$250,000,000 was approved by more than 55% of the qualified voters voting on the measure.

On May 31, 2007, this Board, at the request of the District, issued the first series of bonds authorized by the election in an aggregate principal amount of \$75,000,000. On February 4, 2009, this Board, at the request of the District, issued a second series of general obligation bonds in an aggregate principal amount of \$53,429,199.50. Of the original \$250,000,000 principal amount of bonds authorized by the election, \$121,570,800.50 remains to be issued and sold.

The District's Board of Education adopted its resolution 2009-2010 Number 62 requesting this Board to issue and sell one or more additional series of the District's general obligation bonds in an aggregate principal amount not to exceed \$100,000,000. To maximize the amount of bonds that can be sold within the permitted tax rate limits, the District is asking this Board to separately approve the issuance of these bonds under the provisions of the Education Code and under the provisions of the Government Code. The District believes that being allowed to issue a portion of the bonds under the Education Code and a portion of the bonds under the Government Code will provide maximum flexibility to structure the sale based on market conditions. Because bonds being issued under the Government Code must be sold as a separate issue from bonds being issued under the Education Code, the District has asked this Board to adopt two resolutions. One resolution authorizes the bonds to be issued under the Education Code and the other authorizes the bonds to be issued under the Government Code.

The District is also asking this Board to authorize a portion of the bonds to be sold as Taxable Build America Bonds if the County Treasurer, the District's financial advisor, and the District determine that it would be in the best interest of the District to do so. In addition, the District has been awarded an allocation of Qualified School Construction Bonds ("QSCBs") under the American Recovery and Reinvestment Act of 2009 and is asking this Board to authorize the issuance of one or more series of bonds as QSCBs.

Resolution No. 2009-331 authorizes the issuance and sale of Corona-Norco Unified School District, Election of 2006, General Obligation Bonds in one or more series under the provisions of the Government Code in an aggregate principal amount not to exceed \$100,000,000; authorizes the bonds to be issued in one or more series; authorizes the County Treasurer/Tax Collector to negotiate the sale of the bonds; authorizes all or a portion of the bonds to be issued and sold as Taxable Build America Bonds and as QSCBs; and authorizes all or a portion of the bonds to be sold to a Joint Powers Authority, all as requested by the District Board of Education. In addition, Resolution No. 2009-331 prescribes the terms of the bonds and conditions of their sale.

The proceeds of the bonds are to be expended for identified school facilities and improvements or to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed. Expenditures are subject to the review of a citizens' oversight committee appointed by the District's Board of Education.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2009-331 and has approved it as to form.