COUNTY OF SAN DIEGO

AGENDA ITEM

DATE: **October 21, 2025** **13**

TO: Board of Supervisors

SUBJECT

APPROVAL OF THE ISSUANCE OF REVENUE OBLIGATIONS BY THE CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY FOR THE BENEFIT OF LA JOLLA COUNTRY DAY SCHOOL IN AN AGGREGATE AMOUNT NOT TO EXCEED $45,000,000 (DISTRICT: 3)

OVERVIEW

The County has received a request from the California Enterprise Development Authority ("CEDA" or "Authority") to conduct a public hearing as required by the Internal Revenue Code and to approve the Authority's issuance of one or more series of revenue bonds, notes or other obligations in an aggregate principal amount not to exceed $45,000,000 (the "Revenue Obligations"), for the benefit of La Jolla Country Day School (the "Borrower"), a California nonprofit public benefit corporation. The Borrower has applied for the financial assistance of the Authority to finance and/or refinance the acquisition, development, construction, equipping and furnishing of Borrower's educational facilities located at 9490 Genesee Avenue and 9409 Regents Road, La Jolla, California 92037, California 92115 (collectively, the "Project").

The Authority is authorized to assist nonprofit public benefit organizations and for-profit corporations with a public benefit project wishing to issue conduit revenue bonds, including the Borrower. In order to facilitate such a financing, the Authority and the Borrower are asking the County of San Diego, a member jurisdiction in which the Project resides, to approve the Authority's issuance of the Revenue Obligations. Although the Authority will be the issuer of the Revenue Obligations for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

On June 13, 2006 (12), the Board of Supervisors approved the issuance of $40,000,000 in revenue bonds by the Association of Bay Area Governments (ABAG) Finance Authority for Nonprofit Corporations for the benefit of the Borrower. Subsequent to such approval, on June 29, 2006, ABAG issued $20,000,000 aggregate principal amount of its ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (La Jolla Country Day School) Series A (Tranche One) and on July 12, 2007 issued $20,000,000 aggregate principal amount of its ABAG Finance Authority for Nonprofit Corporations Variable Rate Demand Revenue Bonds (La Jolla Country Day School) Series A (Tranche Two) (together, the "Prior Bonds").

The proceeds of the Prior Bonds financed improvements to the Borrower's educations campus. On October 14, 2010, the Prior Bonds were currently refunded by the $30,000,000 ABAG Finance Authority for Nonprofit Corporations Revenue Bonds (La Jolla Country Day School) Series 2010A (the "2010 Bonds"), which were sold to First Republic Bank, and a taxable loan from First Republic Bank in the amount of $9,578,900 (the "Taxable Loan").

Following the collapse and sale of First Republic Bank, the Taxable Loan was acquired by JPMorgan Chase Bank, N.A. ("JPMorgan") and the 2010 Bonds were held by the Federal Deposit Insurance Corporation (the "FDIC"). The 2010 Bonds were recently acquired by City National Bank from the FDIC. A portion of the proceeds of the Revenue Obligations in the approximate amount of $25,000,000 will refinance the 2010 Bonds and the Taxable Loan resulting in the debt being held by a single lender, greatly simplifying the Borrower's financing.

The remaining balance of the authorized Revenue Obligations in the approximate amount of $20,000,000 may, at the Borrower's option, be used to fund current and future projects identified in the Borrower's master plan for the campus including, but not limited to, the construction of the Design and Innovation Center which is currently ongoing.

Today's recommendations will provide the Authority with the required authorization to pursue its determination to issue the Revenue Obligations on behalf of the Borrower for the Project.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER
Adopt a Resolution entitled:
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES

EQUITY IMPACT STATEMENT
This financing will assist the Borrower by maintaining the current lower tax-exempt interest rates associated with its debt that was incurred to buildout its campus. The financing will directly translate into additional resources available for the Borrower's educational programs to further the learning experiences for students in the County of San Diego. During the 2024-25 school year, the Borrower provided approximately $5,600,000 in financial aid to students. Approximately 44% of the students identify as students of color.

SUSTAINABILITY IMPACT STATEMENT
The proposed action would result in economic, social, and educational benefits for the community, and will contribute to the County of San Diego Sustainability Goal No. 2, providing just and equitable access, by allowing the Borrower to continue its mission to provide a comprehensive

education to San Diego County students by encouraging intellectual exploration, personal growth and social responsibility.

FISCAL IMPACT
If approved, the proposal will result in approximately $991 of unanticipated revenue to be used to reimburse the County for staff costs associated with this non-County financing. There will be no change in net General Fund costs and no additional staff years.

The Borrower will be responsible for the payment of all present and future costs in connection with the issuance of the financing related to the Project. The County will incur no obligation of indebtedness as a result of today's actions.

BUSINESS IMPACT STATEMENT
N/A

ADVISORY BOARD STATEMENT
The Debt Advisory Committee, composed of the Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

BACKGROUND
California Enterprise Development Authority ("CEDA" or "Authority")
CEDA is a Joint Powers Authority that provides tax-exempt financing for qualified projects located throughout the State of California. The Authority's mission is to fill critical gaps in economic development financing. CEDA issues 501(c)(3) nonprofit bonds and has recently helped organizations such as private schools, community centers, and health clinics refinance existing debt. CEDA also issues Industrial Development Bonds (IDBs) for small- and medium-sized California manufacturers. Through these programs, CEDA works to expand financing opportunities for manufacturers, nonprofits, and communities across California, supporting local economic growth and development.

La Jolla Country Day School ("Borrower" or the "School")
The School was established in 1926 as a one room school with four students by Louise Balmer. Founded on the principles of inspiring greatness, providing access to essential resources and mentors and fostering student independence. In the mid-1950s when Ms. Balmer was nearing retirement, the School had grown with rising enrollment numbers and in the 1961-62 academic year, opened at its present site. The School now encompasses lower, middle and upper schools with grades Pre-K-12. The School currently serves approximately 1,147 students from approximately 90 zip codes.

Project
The proceeds of the Revenue Obligations will be applied to: (1) finance, refinance and/or reimburse the cost of construction, improvement, acquisition, installation, equipping and furnishing of educational facilities including, but not limited to, a Visual Arts & Sciences

Complex, Library and Academic Center, Design and Innovation Center, Kindergarten Classroom Complex, a photovoltaic system, several sports fields and courts, improved parking, additional classrooms and office space and other ancillary improvements located at 9490 Genesee Avenue, La Jolla, California 92037 and 9409 Regents Road, La Jolla, California 92037 (collectively, the "Facilities"); (2) fund capitalized interest on the Revenue Obligations, if any; and (3) pay certain expenses incurred in connection with the issuance of the Revenue Obligations.

The Project will effectively consolidate the Borrower's long-term indebtedness with a single lender and result in costs savings due to such consolidation. The Project will also eliminate constraints on the Borrower's future funding needs. These benefits will allow the Borrower to continue to focus its resources on providing comprehensive education to San Diego County students.

County Involvement
Section 147(f) of the Code requires that an applicable elected body, with respect to the Project, approve the issuance and delivery of the Revenue Obligations following a public hearing therefor. The Board of Supervisors of the County of San Diego, as an applicable elected body, is requested to approve the issuance of Revenue Obligations. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Revenue Obligations.

The Authority will be issuing the Revenue Obligations in an aggregate principal amount not to exceed $45,000,000 and is seeking approval pursuant to Section 147(f) of the Code for the Project located in San Diego County.

The Authority published a notice of public hearing on September 25, 2025 in the Public Notices section of their website which is designed to inform members of the general public about the public hearings to be held by the Authority on October 3, 2025 indicating that a public hearing pursuant to Section 147(f) of the Code would be held on October 3, 2025 with respect to the issuance of the Revenue Obligations and the Project. On October 3, 2025, the Authority held the public hearing and no public comments were received by the Authority prior to or at the public hearing.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Community: Quality of Life Strategic Initiative in the County of San Diego's 2025-2030 Strategic Plan by supporting and allowing the issuance of revenue obligations by the Authority for La Jolla Country Day School to finance and/or refinance the acquisition, development, construction, equipping and furnishing of education facilities.

Respectfully submitted,

EBONY N. SHELTON
Chief Administrative Officer

ATTACHMENT(S)

1. RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF CALIFORNIA ENTERPRISE DEVELOPMENT AUTHORITY REVENUE OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $45,000,000 FOR THE PURPOSE OF FINANCING AND/OR REFINANCING THE ACQUISITION, DEVELOPMENT, CONSTRUCTION, EQUIPPING AND FURNISHING OF EDUCATIONAL FACILITIES
2. TRANSCRIPT OF PUBLIC HEARING
3. CERTIFICATE OF PUBLICATION REGARDING NOTICE OF PUBLIC HEARING
4. CEDA PROJECT APPLICATION FOR REVENUE OBLIGATIONS