



COUNTY OF SAN DIEGO

AGENDA ITEM

BOARD OF SUPERVISORS

NORA VARGAS
First District

JOEL ANDERSON
Second District

TERRA LAWSON-REMER
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: September 14, 2021

06

TO: Board of Supervisors

SUBJECT

NOTICED PUBLIC HEARING: ISSUANCE OF REVENUE ANTICIPATION NOTES BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE PURPOSE OF PROVIDING WORKING CAPITAL TO FUND OPERATING EXPENSES FOR HARBOR SPRINGS CHARTER SCHOOL IN AN AGGREGATE MAXIMUM AMOUNT NOT TO EXCEED \$4,000,000 (DISTRICTS: 1 & 5)

OVERVIEW

The County has received a request from the California Municipal Finance Authority (“CMFA” 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 anticipation notes in an aggregate principal amount not to exceed \$4,000,000 (the “Notes”), for the purpose of providing working capital to fund operating expenses for Harbor Springs Charter School (the “Borrower”).

The Authority is authorized to assist in financing for nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue Notes, including the Borrower. In order to initiate such a financing, the Borrower is asking the County of San Diego, a member jurisdiction in which the project resides to: (1) conduct a public hearing to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code; and (2) approve the Authority’s issuance of the Notes. Although the Authority will be the issuer of the Notes for the Borrower, the financing cannot proceed without the approval of an applicable legislative body.

Today’s recommendations will provide the Authority with the required authorization to pursue its determination to issue the Notes on behalf of the Borrower for the financing.

RECOMMENDATION(S)

CHIEF ADMINISTRATIVE OFFICER

1. Pursuant to Section 147(f) of the Internal Revenue Code, hold a public hearing regarding the financing of the Project.
2. Adopt a Resolution entitled:
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO APPROVING THE ISSUANCE OF THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY REVENUE ANTICIPATION NOTES (HARBOR SPRINGS CHARTER

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AUTHORITY FOR THE PURPOSE OF PROVIDING WORKING
CAPITAL TO FUND OPERATING EXPENSES FOR HARBOR SPRINGS
CHARTER SCHOOL IN AN AGGREGATE MAXIMUM AMOUNT NOT
TO EXCEED \$4,000,000 (DISTRICTS: 1 & 5)

SCHOOL), SERIES 2021 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED \$4,000,000 FOR THE PURPOSE OF FINANCING WORKING CAPITAL FOR
THE HARBOR SPRINGS CHARTER SCHOOL AND CERTAIN OTHER MATTERS
RELATING THERETO

EQUITY IMPACT STATEMENT

California Municipal Finance Authority was established to assist in financing of nonprofit public benefit organizations or for-profit corporations with a public benefit project wishing to issue or reissue notes. The notes will be used to provide working capital to fund operating expenses for the Borrower who operates two public charter school facilities located at 700 East Bobier Drive, Vista, California 92084 and 1615 Mater Dei Drive, Chula Vista, California 91913. The charter schools mission is to empower students by fostering their innate curiosity, engaging their parents, and promoting optimum learning by collaboratively developing a personalized learning program for each student.

FISCAL IMPACT

If approved, the proposal will result in approximately \$1,030 of unanticipated revenue to be used to reimburse the County for costs associated with this non-County financing.

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

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

The Debt Advisory Committee, composed of the Assistant Chief Administrative Officer, the Deputy Chief Administrative Officer/Chief Financial Officer, Auditor and Controller, and the Treasurer-Tax Collector, concurs with this recommendation.

BACKGROUND

California Municipal Finance Authority (“CMFA”)

The California Municipal Finance Authority provides tax-exempt financing for qualified projects located throughout the State of California. The Authority’s mission is to support economic development, job creation, and social programs throughout the State of California. By assisting nonprofit corporations with various tax-exempt financing programs, the Authority is able to support programs that improve the health and welfare of California residents. The Authority finances a broad range of facilities including nonprofit projects such as education, health care and cultural facilities, affordable multi-family and senior housing, manufacturing facilities and equipment, solid waste, water, wastewater treatment facilities and infrastructure projects and government sponsored financing.

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Harbor Springs Charter Schools (“Borrower”)

Every student in the Springs Charter Schools’ network is on a personalized education journey which includes a rich diversity of skills development, curriculum, and extracurricular activities. Their teachers work with students and their families to foster creativity, build relationships, nurture talents, and prepare them to succeed in the world beyond the classroom.

- 17 student centers serve over 8,000 Springs Charter Schools students in TK-12th grade across Southern California.
- 14 Elementary student center locations
- 14 Junior High student center locations
- 9 High School student center locations
- Over 2,500 students are primarily homeschooled and are visited in their homes by credentialed teachers on a regular basis.
- 900 employees work diligently every day to provide the students with a high-quality personalized education.

The Springs Charter Schools network serves children throughout the counties of Imperial, Inyo, Kern, Los Angeles, Orange, Riverside, San Bernardino, and San Diego. Student centers are provided in Riverside, Corona, Temecula, Indio, Hemet, Murrieta, Santa Ana, Chula Vista, Vista, Menifee, and Rancho Cucamonga.

Springs Charter Schools was created and is operated by parents. They understand that every child is on a personalized educational journey. Teachers work hard to incorporate a rich diversity of skills development, curriculum, and extracurricular activity into each day, and staff works hard to direct the school’s resources where students need them most.

Project

The notes will be used to provide working capital to fund operating expenses for the Borrower who operates two public charter school facilities located at 700 East Bobier Drive, Vista, California 92084 and 1615 Mater Dei Drive, Chula Vista, California 91913.

County Involvement

Section 147(f) of the Internal Revenue Code requires that an applicable elected body, with respect to the Project, hold a public hearing and approve the issuance and delivery of the Notes. The Board of Supervisors of the County of San Diego, as an applicable elected body, is requested to: (1) hold a public hearing at which all those interested in speaking with respect to the financing of the Project can be heard and (2) approve the issuance of the Notes. The Borrower shall be responsible for the payment of all present and future costs in connection with the issuance of the Notes.

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LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

Today's proposed action supports the Operational Excellence Strategic Initiative in the County of San Diego's 2021-2026 Strategic Plan by supporting and allowing the issuance of Notes by CMFA for the Borrower to provide working capital for its operations.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Helen N. Robbins-Meyer", written in a cursive style.

HELEN N. ROBBINS-MEYER
Chief Administrative Officer

ATTACHMENT(S)

1. County Resolution
2. Notice of Public Hearing
3. CMFA Project Application for Bond

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: ☐ Yes ☒ No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

☐ Yes ☒ No

PREVIOUS RELEVANT BOARD ACTIONS:

N/A

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION
NUMBER(S):**

N/A

ORIGINATING DEPARTMENT: Finance and General Government Group

OTHER CONCURRENCE(S): Debt Advisory Committee

CONTACT PERSON(S):

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