

\$45,000,000*
CALIFORNIA SCHOOL FINANCE AUTHORITY
LEASE REVENUE BONDS
(GROSSMONT UNION HIGH SCHOOL DISTRICT PROJECT)
SERIES 2020 \$45,000,000 (TAX-EXEMPT)
ITEM #4 - RESOLUTION 20-09

*Not-to-Exceed Amount

STAFF SUMMARY

EXECUTIVE SUMMARY			
Applicant/Borrower:	Grossmont Union High School District	Par Amount Requested:	Not-to-Exceed *\$45,000,000
Financing Term: 20 years		Interest Rate: 5.00% (Estimated)	
Applicant Description: Grossmont Union High School District			
Type of Financing: Lease Revenue Bonds (Tax-Exempt)			
Project Users:	Grossmont Union High School District	County Served:	San Diego County
Project Description: Renovation and improvement of Grossmont Union's central transportation facility, bus yard, and other capital improvements and equipment purchases.			
Project Sites: 1100 Murray Drive, El Cajon, CA 92020			
Financing Team:		Financing Details:	
Bond Counsel:	Orrick Herrington	Type of Issue:	Lease Revenue Bonds
Underwriters:	Stifel, Nicolaus & Co. Citi	Tax Status:	Tax-Exempt
Underwriter's Counsel:	Stradling Yocca Carlson & Rauth	Maturity:	July 1, 2040
Municipal Advisor:	KNN Public Finance	Credit Enhancement:	No
Issuer's Counsel:	Attorney General's Office	Credit Rating:	Aa3
Issuer:	California School Finance Authority	CSFA Fees:	See Costs of Issuance Table
Master Trustee:	US Bank National Association	Other Fees:	See Costs of Issuance Table
CSFA Staff: Robby Biegler		Date of Staff Report: April 24, 2020	
Date of CSFA Board Meeting: May 4, 2020		Resolution Number: 20-09	
Staff Recommendation: Staff recommends the California School Finance Authority Board approve Resolution Number 20-09 authorizing the issuance of Lease Revenue Bonds in an amount not to exceed \$45,000,000 to finance and refinance the acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of certain educational facilities located in San Diego County for Grossmont Union High School District.			

BACKGROUND AND HISTORY

Grossmont Union High School District (the District, or the Borrower) is a high school district in south San Diego County, specifically the cities of El Cajon, Lemon Grove and Santee and the unincorporated communities of Alpine, Casa de Oro, Crest, Dehesa, Dulzura, Jamul, Lakeside, Mount Helix, Rancho San Diego, Spring Valley, and La Mesa. The District currently operates nine comprehensive high schools, one continuation high school, two alternative education sites, three special education facilities, a middle college high school program, a Career Technical Education Program, an adult education program, and a day care facility. The District is also the local sponsoring local education agency for three charter schools.

The District was founded in 1920 and encompasses an area of 465 square miles with approximately 490,000 residents. The District is the eighth largest school district in California when measured by enrollment, with 16,789 students. The projected Average Daily Attendance (ADA) for Fiscal Year (FY) 19-20 is 15,602 and the budgeted general fund expenditures are \$238 million. Multiyear budget projections for the District are included in Appendix A. District Demographics include:

Ethnicity/Race	Student Count
American Indian or Alaska Native	125
Asian	353
Black/African American	916
Filipino	271
Hispanic	6,508
Multiple Races/Two or More	948
Pacific Islander	89
White	7,460
Grand Total*	16,670

Sub Group	Student Count
English Learner	2,033
Foster Youth	46
Homeless Youth	324
Socioeconomically Disadvantaged	10,413
Students with Disabilities	2,552
Grand Total	15,368

PROJECT DESCRIPTION

The Authority will issue conduit lease revenue bonds (Bonds); the debt service on which will be paid by the District's Facility Sublease rent payments to the Authority. The Authority will exercise powers under the CSFA Act to lease real property and issue conduit revenue bonds in relation to project financing. The proceeds of the Tax Exempt Lease Revenue Bonds will be used to 1) renovate the District Transportation Facility and Bus Yard (Facility) and 2) perform other capital improvements and purchase equipment and; 3) pay costs of issuance.

Project Costs

Site	Landlord	Location	Purpose	Amount
Transportation Yard Project	Grossmont Union High School District	1100 Murray Drive, El Cajon, CA 92020	Renovations	\$42,065,161.75
Total Estimated Project Costs				\$42,065,161.75

The Grossmont Union Transportation Facility and Bus Yard (Transportation Yard), originally built in the 1930s, is located in El Cajon. The Transportation Yard has significant ongoing need for improvement.

The District, as the Participating Party under the CSFA Act, will lease certain real property to the Authority pursuant to a Facility Lease. Contemporaneously, the District will sublease back the same real property pursuant to its Facility Sublease, the debt service on which will be paid by the District's Facility Sublease Base Rent payments to the Authority. Because the Transportation Yard will not be valued at the issuance amount of the Bonds until renovations have been completed, the District will lease a separate property, Valhalla High School (VHS), until the renovations have been made, at which time the Transportation Yard will be substituted for VHS. The Facility Lease and Facility Sublease will comply with the Offner-Dean line of California Supreme Court cases, which approve lease-based financings in California and govern the incurrence of non-voter approved debt by constitutional debt limit entities such as the District, including fair rent, rent abatement and annual appropriations covenants. The District will use Bond proceeds, which the Authority will pay over to the District as rent under the Facility Lease, to finance the renovation and improvement of Transportation Yard. The District will use special revenues from legacy redevelopment project area pass-through payments as the primary source of revenues to pay the rent under the Facility Sublease, and thus the debt service on the Bonds. The District will certify at closing that the Base Rent paid for VHS is fair rent. The fair rent analysis will be based on the insured value of VHS compared to the principal amount of the Bonds. Currently, the VHS campus is insured for approximately \$46,000,000, with this financing authorizing a proposed not-to-exceed amount of \$45,000,000. Once the transportation facility is completed, the District will substitute the Transportation Yard into the leases as the leased asset, replacing VHS. A fair rent certification, required in connection with the substitution process, will be based on the amount of bonds issued to finance the Transportation Yard renovation project (consisting of all of the CSFA bonds).

The legacy redevelopment project area pass-through payments are property tax "increment" revenues of former redevelopment project areas. Since the dissolution of redevelopment agencies in 2012, this revenue is collected in and distributed from the Redevelopment Property Tax Trust Fund. Before this revenue is distributed to Successor Agencies to pay enforceable obligations, i.e. debt, a percentage of these revenues passes through to various municipal jurisdictions including K-12 districts, as such "pass through". Facilities Pass-Throughs, per California Education Code, as well as Health and Safety Code, are effectively restricted to a portion of redevelopment property tax to be use for educational facilities, including funding principal and interest payments on lease revenue bonds issued to finance educational facilities, and are received without offset against State funding for District operations.

COVID-19 Update: The District's Fiscal Consultant (FC) has prepared the redevelopment pass-through revenue projections; administratively, the District intends to use only these revenues to repay the Bonds, although the District has covenanted to make the necessary annual appropriations for debt service on the Bonds from the any eligible and lawfully available source of funds, including the general fund of the District, should the redevelopment pass-through revenues be insufficient to meet debt service on the Bonds. The FC has evaluated the potential future impacts of the COVID-19 pandemic on the assumptions used to project pass-throughs – specifically, inflation and net assessed value growth assumptions, and has determined that the near term (3 years) fiscal impact will not affect the District's ability to leverage revenues at the 1.1x coverage to meet its financing needs.

The FC has determined that no revisions in assumptions are required for inflation factors. The projections already assume that future inflation factors will equal the historical average annual inflation factor of 1.7976% (1.798% for implementation purposes under the Revenue and Taxation Code) compared to the 2% maximum inflationary growth rate under Proposition 13. This historical average has been calculated over the last 37 years for which Proposition 13 has been in effect, a period that includes several economic recessions, most notably, the Great Recession from December 2007 through June 2009. Accordingly, this historical average already includes eight years of less than 2% increases in the California Consumer Price Index (CPI) and one year of negative increases in the CPI.

The FC has also determined that revisions in assumptions are required for net Assessed Value (AV) growth for three years. Pass-through projections already assume future net AV growth rates of only 2% per year. However, for the portion of pass-throughs that depend on AV growth, historical AV growth rates were below 1% or negative for some years following the Great Recession. Given the International Monetary Fund projects world output to contract by 3%, the FC now assumes future average AV growth rates that are (1) -3.0% with no lag in FY 2021-22; and (2) 0.0% and 1.00% in FYs 2021-22 and 2022-23, respectively, before returning to 2.0% thereafter. (Assumed future impacts begin in FY 2021-22 since AVs for FY 2020-21 were determined BEFORE the COVID-19 outbreak based on a lien date of Jan. 1, 2020.) The above revisions REDUCE projected Future Pass-Throughs by about 5.85%, from about \$63.19 M to \$59.49 M. However, this reduced amount is still sufficient to support with appropriate coverage the anticipated issuance of Bonds to be secured and repaid by the Facilities Pass-Throughs.

FINANCING

The Bonds will be issued in one tax-exempt series, Series 2020, and will be approximately \$45,000,000. This tax-exempt series is expected to consist of serial maturities and possibly term maturities depending on market conditions at the time of sale. The final maturity will be July 1, 2040. The District will use Bond proceeds to finance the renovation and improvement of the Transportation Yard and other capital improvements. The District will use special revenues from legacy redevelopment project area pass-through payments as the primary source of revenues to pay the rent under the Facility Sublease, and thus the debt service on the Bonds.

Security and Source of Payment

The District will use special revenues from legacy redevelopment project area pass-through payments as the primary source of revenues to pay the rent under the Facility Sublease, and thus the debt service on the Bonds. For the District, base rent under the Facility Sublease (which supports bond repayment) will be a contingent obligation of the District, payable from any eligible and lawfully available source. The District intends to pay all of the base rent from redevelopment pass-throughs, however, legally the District is obligated to use any source of eligible and lawfully available funds, including its general fund. The projections of pass-through payments for the next 20 years are contained in the attached Appendix B.

Good Faith Cost Estimates

The following information is made available in accordance with the Government Code Section 5852.1 to provide certain public disclosures related to the Bonds. All figures are good faith estimates and are subject to change.

Good Faith Cost Estimates

(A) - True Interest Cost	2.00%
(B) - Finance Charge	565,830
Total Proceeds:	\$42,630,992
Less amount in (B):	(565,830)
Less Reserves:	0
Less Capitalized Interest:	0
(C) Net Proceeds:	\$42,065,162
Total Debt Service:	\$52,113,092
Third party costs not paid with Bond proceeds:	0
(D) - Total Payment Amount:	\$52,113,092

(A) The true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the new issue of Bonds;

(B) The finance charge of the Bonds, which means the sum of all fees and charges paid to third parties;

(C) The amount of proceeds received by the public body for sale of the bonds less the finance charge of the Bonds described in (B) and any reserves or capitalized interest paid or funded with proceeds of the Bonds;

(D) The total payment amount, which means the sum total of all payments the borrower will make to pay debt service on the bonds plus the finance charge of the Bonds described in (B) not paid with the proceeds of the Bonds. The total payment amount shall be calculated to the final maturity of the Bonds.

Preliminary Sources and Uses and Preliminary Costs of Issuance

Below are the preliminary estimated sources and uses, and detailed information about the expected costs of issuance for board consideration. Please note these figures are subject to change between the time the board packets are distributed and the time the Board meets, and are further subject to final pricing. Members will be provided updated figures should significant changes occur before the Board meeting date.

Sources and Uses*

Sources:	Total
Bond Proceeds:	
Par Amount	\$34,725,000.00
Premium	\$7,905,991.75
Total:	\$42,630,991.75
Uses:	Total
Project Fund Deposits:	
Transportation Yard Project	\$42,065,161.75
	\$42,065,161.75
Other Fund Deposits:	
Capitalized Interest Fund	\$0.00
Debt Service Reserve Fund	\$0.00
	\$0.00
Delivery Date Expenses:	
Cost of Issuance	\$426,390.00
Underwriter's Discount	\$138,900.00
	\$565,830.00
Total:	\$42,630,991.75

Total Costs of Issuance*

Expense	Amount
Underwriter's Discount	\$138,900
Bond Counsel	\$100,000
Financial Advisor	\$81,500
Borrower's Counsel	\$0
Disclosure Counsel	\$55,000
CSFA Issuance Fee (Including Application Fee)	\$11,500
CSFA 1st Admin Fee	\$0
CSFA Issuer Fee - PFD Fee	\$0
Issuer's Counsel (AG)	\$5,000
Bond Trustee & Trustee's Counsel	\$7,500
Rating Agency Fee	\$35,500
Title Insurance	\$23,430
Financial Printer Fee	\$2,500
Contingency	\$5,000
Fiscal Consultant Report	\$100,000
Total	\$565,830

**Estimates based on a not-to-exceed Par Amount of \$45,000,000*

SALES RESTRICTIONS

The following sales restrictions will apply to the financing given the expected Aa3 Rating. The Authority's sales restrictions may be viewed at: <http://treasurer.ca.gov/csfa/financings/guidelines.pdf>.

- Bonds may be publicly offered without transfer restrictions

OTHER PROJECT DATA

TEFRA: As the District is a governmental entity and is inherently a tax-exempt borrower, no TEFRA hearing is required.

Due Diligence Undertaken to Date: No information disclosed caused CSFA to question the financial viability or legal integrity of the Borrower. Standard opinions of counsel (i.e., that the borrowing entity) has been duly organized, is in good standing, has the full authority to enter into all documents which are valid and binding, etc.) will be delivered at closing.

Borrower Financial Data: The Borrower is a public entity. Multiyear budget projections are included in Appendix A and B.

STAFF RECOMMENDATION

Staff recommends the California School Finance Authority's (CSFA) Board approve Resolution Number 20-09 authorizing the issuance of Tax-Exempt Lease Revenue Bonds in an amount not-to-exceed \$45,000,000 to finance and refinance the acquisition, construction, expansion, remodeling, renovation, furnishing, and equipping of certain educational facilities located in San Diego County, California for Grossmont Union High School District.

1. **Applicant / Borrower:** Grossmont Union High School District.
2. **Project:** Renovations
3. **Amount of Financing:** Not to exceed \$45,000,000
4. **Maturity:** July 1, 2040
5. **Repayment/Security:** Facility Sublease Payments
6. **Interest Rate:** Estimated to be 5.00%
7. **Fees:** \$565,830 is the total Costs of Issuance
8. **Not an Unconditional Commitment:** The CSFA resolution shall not be construed as an unconditional commitment to finance the Project, but rather CSFA's approval pursuant to the resolution conditioned upon entry by CSFA and the Borrower into the Facility Lease and Facility Sublease, each in form and substance satisfactory to CSFA and its counsel.
9. **Limited Time:** The Board's approval expires 12 months from the date of its adoption. Thus, CSFA and the Borrower must enter into the Facility Lease and Facility Sublease no later than 12 months from such date. Once the approval has expired, the item must return to the Board for new approval.
10. **Facility Lease and Facility Sublease Covenants:** N/A

APPENDIX A: MULTIYEAR BUDGET PROJECTIONS

Grossmont Union High
San Diego County

2019-20 Second Interim
General Fund
Multiyear Projections
Unrestricted/Restricted

37 68130 0000000
Form MYPI

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2020-21 Projection (C)	% Change (Cols. E-C/C) (D)	2021-22 Projection (E)
(Enter projections for subsequent years 1 and 2 in Columns C and E; current year - Column A - is extracted)						
A. REVENUES AND OTHER FINANCING SOURCES						
1. LCFE/Revenue Limit Sources	8010-8099	174,958,585.00	3.61%	181,276,291.00	2.75%	186,264,866.00
2. Federal Revenues	8100-8299	14,659,364.00	-12.81%	12,782,194.00	0.00%	12,782,194.00
3. Other State Revenues	8300-8599	17,529,495.00	-0.89%	17,374,008.00	-1.27%	17,153,801.00
4. Other Local Revenues	8600-8799	25,160,093.00	-3.67%	24,237,676.00	-4.79%	23,077,411.00
5. Other Financing Sources						
a. Transfers In	8900-8929	122,850.00	-91.86%	10,000.00	0.00%	10,000.00
b. Other Sources	8930-8979	881,219.00	-100.00%	0.00	0.00%	0.00
c. Contributions	8980-8999	0.00	0.00%	0.00	0.00%	0.00
6. Total (Sum lines A1 thru A5c)		233,311,606.00	1.02%	235,680,169.00	1.53%	239,288,272.00
B. EXPENDITURES AND OTHER FINANCING USES						
1. Certificated Salaries						
a. Base Salaries				93,081,198.00		96,132,351.00
b. Step & Column Adjustment				906,399.00		942,655.00
c. Cost-of-Living Adjustment				2,796,147.00		0.00
d. Other Adjustments				(651,393.00)		1,107,538.00
e. Total Certificated Salaries (Sum lines B1a thru B1d)	1000-1999	93,081,198.00	3.28%	96,132,351.00	2.13%	98,182,544.00
2. Classified Salaries						
a. Base Salaries				42,485,694.00		41,840,985.00
b. Step & Column Adjustment				233,891.00		257,280.00
c. Cost-of-Living Adjustment				1,251,849.00		0.00
d. Other Adjustments				(2,130,449.00)		0.00
e. Total Classified Salaries (Sum lines B2a thru B2d)	2000-2999	42,485,694.00	-1.52%	41,840,985.00	0.61%	42,098,265.00
3. Employee Benefits	3000-3999	61,403,651.00	7.33%	65,903,701.00	2.92%	67,829,259.00
4. Books and Supplies	4000-4999	8,875,200.00	-16.15%	7,441,758.00	0.00%	7,441,758.00
5. Services and Other Operating Expenditures	5000-5999	30,019,187.00	-5.43%	28,390,134.00	0.30%	28,476,629.00
6. Capital Outlay	6000-6999	2,103,936.00	-68.45%	663,772.00	0.00%	663,772.00
7. Other Outgo (excluding Transfers of Indirect Costs)	7100-7299, 7400-7499	1,241,241.00	-14.91%	1,056,170.00	0.00%	1,056,170.00
8. Other Outgo - Transfers of Indirect Costs	7300-7399	(1,093,223.00)	5.34%	(1,151,551.00)	0.00%	(1,151,551.00)
9. Other Financing Uses						
a. Transfers Out	7600-7629	233,343.00	-100.00%	0.00	0.00%	0.00
b. Other Uses	7630-7699	0.00	0.00%	0.00	0.00%	0.00
10. Other Adjustments				(4,597,151.00)		(5,308,574.00)
11. Total (Sum lines B1 thru B10)		238,350,227.00	-1.12%	235,680,169.00	1.53%	239,288,272.00
C. NET INCREASE (DECREASE) IN FUND BALANCE (Line A6 minus line B11)						
		(5,038,621.00)		0.00		0.00
D. FUND BALANCE						
1. Net Beginning Fund Balance (Form 011, line F1e)		30,171,912.00		25,133,291.00		25,133,291.00
2. Ending Fund Balance (Sum lines C and D1)		25,133,291.00		25,133,291.00		25,133,291.00
3. Components of Ending Fund Balance (Form 011)						
a. Nonspendable	9710-9719	347,249.60		347,250.00		347,250.00
b. Restricted	9740	1,556,669.00		1,556,669.00		1,556,669.00
c. Committed						
1. Stabilization Arrangements	9750	0.00		0.00		0.00
2. Other Commitments	9760	0.00		0.00		0.00
d. Assigned	9780	12,503,611.40		12,623,763.00		12,461,398.00
e. Unassigned/Unappropriated						
1. Reserve for Economic Uncertainties	9789	10,725,761.00		10,605,609.00		10,767,974.00
2. Unassigned/Unappropriated	9790	0.00		0.00		0.00
F. Total Components of Ending Fund Balance (Line D3f must agree with line D2)		25,133,291.00		25,133,291.00		25,133,291.00

Description	Object Codes	Projected Year Totals (Form 011) (A)	% Change (Cols. C-A/A) (B)	2020-21 Projection (C)	% Change (Cols. E-C/C) (D)	2021-22 Projection (E)
E. AVAILABLE RESERVES (Unrestricted except as noted)						
1. General Fund						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	10,725,761.00		10,605,609.00		10,767,974.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
d. Negative Restricted Ending Balances (Negative resources 2000-9999)	979Z			0.00		0.00
2. Special Reserve Fund - Noncapital Outlay (Fund 17)						
a. Stabilization Arrangements	9750	0.00		0.00		0.00
b. Reserve for Economic Uncertainties	9789	0.00		0.00		0.00
c. Unassigned/Unappropriated	9790	0.00		0.00		0.00
3. Total Available Reserves - by Amount (Sum lines E1 thru E2c)		10,725,761.00		10,605,609.00		10,767,974.00
4. Total Available Reserves - by Percent (Line E3 divided by Line F3c)		4.50%		4.50%		4.50%
F. RECOMMENDED RESERVES						
1. Special Education Pass-through Exclusions						
For districts that serve as the administrative unit (AU) of a special education local plan area (SELPA):						
a. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?	No					
b. If you are the SELPA AU and are excluding special education pass-through funds:						
1. Enter the name(s) of the SELPA(s):						
<hr/>						
2. Special education pass-through funds						
(Column A: Fund 10, resources 3300-3499 and 6500-6540, objects 7211-7213 and 7221-7223; enter projections for subsequent years 1 and 2 in Columns C and E)						
		0.00		0.00		0.00
2. District ADA						
Used to determine the reserve standard percentage level on line F3d (Col. A: Form A1, Estimated P-2 ADA column, Lines A4 and C4; enter projections)						
		15,609.71		15,733.16		15,828.06
3. Calculating the Reserves						
a. Expenditures and Other Financing Uses (Line B11)		238,350,227.00		235,680,169.00		239,288,272.00
b. Plus: Special Education Pass-through Funds (Line F1b2, if Line F1a is No)		0.00		0.00		0.00
c. Total Expenditures and Other Financing Uses (Line F3a plus line F3b)		238,350,227.00		235,680,169.00		239,288,272.00
d. Reserve Standard Percentage Level (Refer to Form 01CSI, Criterion 10 for calculation details)		3%		3%		3%
e. Reserve Standard - By Percent (Line F3c times F3d)		7,150,506.81		7,070,405.07		7,178,648.16
f. Reserve Standard - By Amount (Refer to Form 01CSI, Criterion 10 for calculation details)		0.00		0.00		0.00
g. Reserve Standard (Greater of Line F3e or F3f)		7,150,506.81		7,070,405.07		7,178,648.16
h. Available Reserves (Line E3) Meet Reserve Standard (Line F3g)		YES		YES		YES

APPENDIX B: PROJECTED FACILITIES PASS THROUGHs

Appendix Table 1

**11 Projected Facilities Pass-Throughs^{1,2} from
Nine Project Areas of Six Successor Agencies
Grossmont Union High School District**

(Based on Assessed Values and Property Tax Shares for FY 2019-20)

**PROJECTED
2% GROWTH IN ASSESSED VALUE³
(Except as shown in Appendix Exhibit 2)**

Future Year	Owed for Fiscal Year	Grand Total 11 Pass-Thru Payments ⁴			
		Per FCR Table 1 2% All Yrs	Per Ex 2 Option 1.1 Baseline	Per Ex 2 Option 1.2 Alternative 1	Per Ex 2 Option 2 Alternative 2
0	2019-20	\$2,143,650	2,143,650	2,143,650	2,143,650
1	2020-21	2,235,268	2,235,268	2,235,268	2,235,268
2	2021-22	2,322,760	2,208,449	2,252,802	2,322,760
3	2022-23	2,411,873	2,250,923	2,310,205	2,411,873
4	2023-24	2,502,642	2,316,297	2,398,941	2,455,784
5	2024-25	2,595,148	2,405,077	2,489,373	2,506,429
6	2025-26	2,689,361	2,495,488	2,581,470	2,539,457
7	2026-27	2,785,363	2,587,613	2,675,315	2,632,461
8	2027-28	2,883,215	2,682,739	2,770,966	2,727,256
9	2028-29	2,982,798	2,781,446	2,868,304	2,823,719
10	2029-30	3,384,925	3,175,071	3,268,141	3,222,665
11	2030-31	3,806,624	3,592,573	3,687,504	3,641,119
12	2031-32	3,923,384	3,705,051	3,801,881	3,754,568
13	2032-33	4,042,355	3,819,656	3,918,422	3,870,163
14	2033-34	4,167,930	3,940,443	4,041,333	3,992,036
15	2034-35	3,145,223	2,993,721	3,060,912	3,028,081
16	2035-36	3,257,657	3,102,489	3,171,306	3,137,681
17	2036-37	3,372,994	3,214,027	3,284,529	3,250,080
18	2037-38	2,858,590	2,743,876	2,794,751	2,769,893
19	2038-39	986,237	873,882	923,711	899,364
20	2039-40	1,026,005	910,737	961,858	936,879
21	2040-41	1,066,564	948,325	1,000,764	975,141
22	2041-42	1,107,931	986,661	1,040,444	1,014,165
23	2042-43	141,731	130,808	135,653	133,285
24	2043-44	147,342	136,140	141,108	138,681
25	2044-45	153,061	141,575	146,669	144,180
26	2045-46	158,891	147,114	152,337	149,785
27	2046-47	164,832	152,760	158,114	155,498
28	2047-48	170,889	158,515	164,003	161,321
29	2049-50	177,062	164,380	170,005	167,257
30	2049-50	183,355	170,359	176,122	173,306
31	2050-51	189,768	176,452	182,358	179,472
GRAND TOTALS		\$63,185,426	\$59,491,565	\$61,108,219	\$60,693,277
CHANGE FROM FCR TABLE 1		\$0	(\$3,693,861)	(\$2,077,207)	(\$2,492,149)
% CHANGE FROM FCR TABLE 1		0.00%	-5.85%	-3.29%	-3.94%

RDL --Redevelopment Dissolution Law
RPTTF--Redevelopment Property Tax Trust Fund
SA --Successor Agency

1. Facilities Pass-Throughs include 100 percent of Inflationary and Contractual Pass-Throughs and 56.7 percent share of AB 1290/SB 211 Pass-Throughs, restricted by statute to use for educational facilities (including repayment of COPs for facilities). Excludes 43.3% of AB 1290/SB 211 Pass-Throughs.
2. Per RDL, future Pass-Throughs shown above are projected through final year of RPTTF based on last enforceable obligation on ROPS 19-20 for each of six corresponding SAs..
3. Five AB 1290/SB 211 Pass-Throughs and parts of two Contractual Pass-Throughs **do depend** on assumed future growth in assessed value. However, four Inflationary Pass-Throughs and part of two Contractual Pass-Throughs **do not depend** on future growth in assessed value, but on *inflationary* assessed values, assumed to increase at *average historical inflation factor of 1.7976%* (compared to 2% maximum inflationary growth rate under Proposition 13).
4. All 11 Facilities Pass-Throughs are *senior* to bonds and all other enforceable obligations of former RDAs/SAs. By statute, Inflationary Pass-Throughs **may not be subordinated** to any enforceable obligations. Contractual Pass-Throughs are only subject to subordination if required by terms of corresponding agreements, but **both agreements for GUHSD contain no subordination provisions**. By statute, AB 1290/SB 211 Pass-Throughs may be subject to subordination if (i) requested by former RDA/Successor Agency, and (ii) approved by ATE, but **PEI has found no evidence that former RDAs or SAs have requested, or that GUHSD has approved, subordination to any approved obligation of any SA.**

BOND SOLUTION

**Grossmont Union High School District
2020 Lease Revenue Bonds
2040 Final Maturity
1.10 Coverage**

Market Rates as of 4-17-2020

FCR Revenue Constraint as of April 15 (Baseline - worst case scenario)

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
07/01/2020						
07/01/2021	430,000	2,028,436	2,028,436	2,235,268	206,832	110.19662%
07/01/2022	565,000	2,004,000	2,004,000	2,208,449	204,449	110.20205%
07/01/2023	635,000	2,045,750	2,045,750	2,250,923	205,173	110.02923%
07/01/2024	725,000	2,104,000	2,104,000	2,316,297	212,297	110.09016%
07/01/2025	840,000	2,182,750	2,182,750	2,405,077	222,327	110.18564%
07/01/2026	965,000	2,265,750	2,265,750	2,495,488	229,738	110.13960%
07/01/2027	1,095,000	2,347,500	2,347,500	2,587,613	240,113	110.22846%
07/01/2028	1,240,000	2,437,750	2,437,750	2,682,739	244,989	110.04980%
07/01/2029	1,390,000	2,525,750	2,525,750	2,781,446	255,696	110.12357%
07/01/2030	1,815,000	2,881,250	2,881,250	3,175,071	293,821	110.19769%
07/01/2031	2,290,000	3,265,500	3,265,500	3,592,573	327,073	110.01602%
07/01/2032	2,505,000	3,366,000	3,366,000	3,705,051	339,051	110.07282%
07/01/2033	2,735,000	3,470,750	3,470,750	3,819,656	348,906	110.05276%
07/01/2034	2,980,000	3,579,000	3,579,000	3,940,443	361,443	110.09899%
07/01/2035	2,270,000	2,720,000	2,720,000	2,993,721	273,721	110.06327%
07/01/2036	2,460,000	2,819,200	2,819,200	3,102,489	283,289	110.04856%
07/01/2037	2,660,000	2,920,800	2,920,800	3,214,027	293,227	110.03927%
07/01/2038	2,335,000	2,489,400	2,489,400	2,743,876	254,476	110.22238%
07/01/2039	730,000	791,000	791,000	873,882	82,882	110.47813%
07/01/2040	795,000	826,800	826,800	910,737	83,937	110.15203%
	31,460,000	49,071,386	49,071,386	54,034,826	4,963,440	

BOND SOLUTION

Grossmont Union High School District
2020 Lease Revenue Bonds
2040 Final Maturity
1.10 Coverage
'Aa3' Lease Revenue Scale (10-year Par Call)
FCR Revenue Constraint as of March 3

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Total Adj Debt Service</i>	<i>PassThrough Revenue</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
07/01/2020						
07/01/2021	430,000	2,030,242	2,030,242	2,235,268	205,026	110.09860%
07/01/2022	665,000	2,109,950	2,109,950	2,322,760	212,810	110.08602%
07/01/2023	780,000	2,191,700	2,191,700	2,411,873	220,173	110.04576%
07/01/2024	900,000	2,272,700	2,272,700	2,502,642	229,942	110.11757%
07/01/2025	1,030,000	2,357,700	2,357,700	2,595,148	237,448	110.07117%
07/01/2026	1,165,000	2,441,200	2,441,200	2,689,361	248,161	110.16553%
07/01/2027	1,310,000	2,527,950	2,527,950	2,785,363	257,413	110.18268%
07/01/2028	1,465,000	2,617,450	2,617,450	2,883,215	265,765	110.15358%
07/01/2029	1,630,000	2,709,200	2,709,200	2,982,798	273,598	110.09885%
07/01/2030	2,060,000	3,074,000	3,074,000	3,384,925	310,925	110.11467%
07/01/2031	2,525,000	3,456,600	3,456,600	3,806,624	350,024	110.12625%
07/01/2032	2,735,000	3,565,600	3,565,600	3,923,384	357,784	110.03433%
07/01/2033	2,950,000	3,671,200	3,671,200	4,042,355	371,155	110.10991%
07/01/2034	3,185,000	3,788,200	3,788,200	4,167,930	379,730	110.02402%
07/01/2035	2,380,000	2,855,800	2,855,800	3,145,223	289,423	110.13457%
07/01/2036	2,580,000	2,960,600	2,960,600	3,257,657	297,057	110.03368%
07/01/2037	2,785,000	3,062,400	3,062,400	3,372,994	310,594	110.14218%
07/01/2038	2,430,000	2,596,000	2,596,000	2,858,590	262,590	110.11518%
07/01/2039	825,000	893,800	893,800	986,237	92,437	110.34202%
07/01/2040	895,000	930,800	930,800	1,026,005	95,205	110.22830%
	34,725,000	52,113,092	52,113,092	57,380,352	5,267,260	