

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT (Los Angeles County, California)

Post Pricing Book

\$25,720,000 2020 Certificates of Participation
(Property Acquisition & Refinancing Project)

December 9, 2020



RAYMOND JAMES



Capital
Markets

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SECTION 1

Financing Summary

2020 CERTIFICATES OF PARTICIPATION (PROPERTY ACQUISITION & REFINANCING PROJECT)

NEW ISSUE -- FULL BOOK-ENTRY

Moody's: "Aa1"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

\$25,720,000

2020 CERTIFICATES OF PARTICIPATION
(Property Acquisition and Refinancing Project)
Evidencing the Direct, Undivided Fractional Interests of the
Owners Thereof in Lease Payments to be Made by the
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT
to Public Property Financing Corporation of California

Dated: Date of Delivery

Due: May 1, as shown on inside cover.

Purposes. The captioned 2020 Certificates of Participation (the "Certificates") are being executed and delivered to (a) finance the acquisition and improvement of real property of the Santa Monica-Malibu Unified School District (the "District"), (b) refinance outstanding 2010 Refunding Certificates of Participation Series B, (c) fund a deposit to the Lease Payment Fund (defined herein) for the purpose of paying a portion of interest due with respect to the Certificates, and (d) pay certain costs of executing and delivering the Certificates. See "THE FINANCING AND REFINANCING PLAN" herein.

Security. The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments (as defined in the hereinafter defined Trust Agreement) to be made by the District for the use and occupancy of certain real property under a Lease Agreement, dated as of December 1, 2020 (the "Lease Agreement"), between the District and the Public Property Financing Corporation of California, a nonprofit public benefit corporation (the "Corporation"). The Lease Payments will be payable from any source of available funds of the District, including from a portion of special revenues consisting of redevelopment pass-through payments restricted by statute to educational facilities (the "Redevelopment Facilities Pass-Through Revenues") which the District has covenanted to apply to the Lease Payments, subject to the provisions of the Lease Agreement described herein regarding abatement and defeasance, as more particularly described herein. The District is required under the Lease Agreement to take such actions as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates, respectively. The Certificates will be secured under a Trust Agreement dated as of December 1, 2020, among the District, the Corporation and U.S. Bank National Association, Los Angeles, California, as trustee (the "Trustee"). Under an Assignment Agreement dated as of December 1, 2020, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Certificate Owners. No reserve fund is being established with respect to the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES", "REDEVELOPMENT FACILITIES PASS-THROUGH REVENUES" and "CERTAIN RISK FACTORS."

Interest. Interest represented by the Certificates will be payable on May 1 and November 1 of each year, commencing May 1, 2021. See "THE CERTIFICATES."

Book-Entry Only. When executed and delivered, the Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Payments. Principal and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Prepayment. The Certificates are not subject to optional prepayment. The Certificates are subject to mandatory prepayment from net proceeds of insurance or condemnation and mandatory sinking fund prepayment prior to their maturity. See "THE CERTIFICATES – Prepayment."

Limited Obligation. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF. WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

MATURITY SCHEDULE

(See inside cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision. See "CERTAIN RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel, and for the Trustee by its counsel. Norton Rose Fulbright US LLP, Los Angeles, California, is serving as counsel to the Underwriters. It is anticipated that the Certificates will be available for delivery on or about December 3, 2020.

RAYMOND JAMES



Capital
Markets

The date of this Official Statement is: November 17, 2020.



FINANCING SUMMARY

2020 Certificates of Participation (Property Acquisition & Refinancing Project)	
Par Amount	\$25,720,000
Tax Status	Tax-Exempt
Pricing Date	11/17/2020
Closing Date	12/3/2020
Payment Dates	Principal: 5/1, commencing 5/1/2021 through 5/1/2042; Interest: 5/1 and 11/1, commencing 5/1/2021
Redemption Provisions	5/1/2028 at 100% of par
Credit Ratings	Aa1 / -- / --

New Money Statistics	
Par	\$24,460,000
Project Fund	\$27,000,000
All-in-TIC	2.64%
Net Debt Service	\$37,402,400
Repayment Ratio	1.53x
Final Maturity	2042

Refunding Statistics	
New Par	\$1,260,000
Refunded Series	2010 Refunding Certificates of Participation, Series B
Maturities Refunded	2021-2024
Total Par Refunded	\$1,325,000
Gross Savings	\$94,739
Net PV Savings	\$89,463
Net PV Savings % of Refunded Par	6.75%

SECTION 2

Pricing Day Summary – Tuesday, November 17, 2020

2020 Certificates of Participation
(Property Acquisition & Refinancing Project)

MARKET COMMENTARY – TUESDAY, NOVEMBER 17TH

- **Economic Commentary:** The New York Fed's Weekly Economic Index edged up to -2.84% for the week of November 14, up from -2.96% a week earlier and a low of -11.45% at the end of April, consistent with a moderate pace of growth. The WEI is scaled to four-quarter GDP growth (for example, if the WEI reads -2% and the current level of the WEI persists for an entire quarter, we would expect, on average, GDP that quarter to be 2% lower than a year previously). Note that the weekly figures are subject to revision. Jobless claims, a leading economic indicator, rose to 742,000 in the week ending November 14, up from the previous week's total of 711,000. Figures tend to be choppy in the final two months of the year. The four-week average was 742,000 – still elevated. Continuing claims (for regular state unemployment insurance programs) fell by 429,000 (week ending November 7) to 6,372,000. It's unclear whether the downtrend in continuing claims is due to people finding work or whether they have exhausted their benefits. The University of Michigan's Consumer Sentiment Index fell to 77.0 in the mid-month assessment for November (the survey covered October 28 to November 10), vs. 81.8 in October and 80.4 in September. Evaluations of current conditions were little changed, but expectations fell from 79.2 to 71.3, reflecting (according to the report) Republican disappointment with the election results and concerns about rising COVID-19 cases.
- October retail sales disappointed with headline growth of 0.3% versus 0.5% expected and a control group increase of 0.1% compared to a 0.5% consensus forecast. Likewise, October import prices fell 0.1% versus an expected rise of 0.2% and export prices rose 0.2% compared to a 0.3% forecast. On the other hand, industrial production for the month grew 1.1% versus 1% expected and the NAHB Housing Market index for November jumped to 90 from 85. Stocks were already taking a breather this morning after Monday's rally saw both the DJIA and S&P 500 close at record highs while the Nasdaq sat within a 1% reach of its previous record. The retail sales miss coupled with shares of CVS and Walgreens falling after Amazon announced a pharmacy business prompted a risk-off bias that encouraged treasury yields to edge lower, particularly as coronavirus cases and hospitalizations continued to surge throughout the US prompting the re-institution of restrictive measures in certain areas.
- **Municipal Market:** Tax-exempt bond yields continued to grind lower as dealers, still light on inventory from the pre-election risk shedding process, paid up in search of bonds to fill strong customer inquiries. Meanwhile, the week's \$11.3bln primary calendar, including taxables, got underway with BofA pricing the mega (A3/BBB+) \$3.7bln NJ GO Covid-19 Emergency loan along with Morgan Stanley purchasing a total of \$400mln (Aaa/AAA) Denver City & Co, CO GO and JPMorgan winning (/AAA/AAA) \$155mln Orange Co, FL Water in the competitive arena. In the backdrop, stocks took a breather following Monday's rally and treasury yields edged lower with coronavirus cases and hospitalizations continuing to surge throughout the US. MMD AAA GO yields were bumped 2bps in 2021-2025 and bumped 3bps in 2026-2050 on Tuesday. At the time the MMD scale was set, the treasury 10yr was trading at 0.87% versus 0.90% on Monday and the 30yr bond was changing hands at 1.62% compared to 1.66% the day prior.

PRICING DAY SUMMARY – TUESDAY, NOVEMBER 17TH

- The District's 2020 Certificates of Participation were received well by investors. The bonds attracted strong demand allowing bond yields to tighten by five to fifteen basis points along the yield curve.
- The 2020 COPs achieved a TIC of 2.55% with a 22-year repayment period.
- The 2020 COPs were oversubscribed by 6.2 times.

Key Statistics

2020 Certificates of Participation (Property Acquisition & Refinancing Project)	
Par	\$25,720,000
TIC	2.55%
Net Debt Service	\$38,759,720
Repayment Ratio	1.51x
\$ of orders	\$160,710,000
Subscription (\$ of orders / par)	6.25x
No. of orders	163
No. of accounts (investors)	30

Largest Investors by \$ of Orders Submitted

2020 Certificates of Participation (Property Acquisition & Refinancing Project)		
Investor	Orders (\$000s)	\$ of Orders (% of par)
16th Amendment Advisors LLC	22,440	14.0%
Vanguard Group	21,770	13.5%
Pine River Capital Management LLC	16,045	10.0%
First Republic Bank	15,065	9.4%
Maritime Capital	10,225	6.4%
Nuveen Asset Management	9,980	6.2%
Goldman Sachs Asset Management	8,895	5.5%
Eaton Vance - TABS	6,165	3.8%
First Trust Advisors	5,935	3.7%
Loomis	4,870	3.0%

ORDER FLOW BY MATURITY– 2020 CERTIFICATES OF PARTICIPATION

- At the end of the order period on pricing day, the District’s 2020 Certificates of Participation were approximately 6.2 times oversubscribed with 30 separate accounts placing orders.



SECTION 3

Bond Sale Comparables

2020 Certificates of Participation
(Property Acquisition & Refinancing Project)

APPENDIX A

Final Numbers

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Financing Calendar & Distribution List

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Rating Reports

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