

RESOLUTION NO. 2017-18/13
Workforce Housing Bond Election

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
JEFFERSON UNION HIGH SCHOOL DISTRICT ORDERING AN
ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL
BONDS TO PROVIDE FINANCING FOR AFFORDABLE
RENTAL HOUSING FOR DISTRICT TEACHERS AND
EMPLOYEES, ESTABLISHING SPECIFICATIONS OF THE
ELECTION ORDER, AND REQUESTING CONSOLIDATION
WITH OTHER ELECTIONS OCCURRING ON JUNE 5, 2018**

WHEREAS, the Jefferson Union High School District (the "District") in San Mateo County (the "County"), State of California, is committed to providing quality education to its students; and

WHEREAS, the high cost of housing in the Bay Area may makes it difficult for the District to ensure that it is able to provide an adequate supply of teachers and other employees as needed to enable the District to continue to provide quality education to its students; and

WHEREAS, the Board of Trustees of the District (the "Board") has determined that in order to recruit and retain high quality teachers and other employees of the District, it is advisable to provide affordable rental housing for such teachers and employees; and

WHEREAS, pursuant to the Teacher Housing Act of 2016, constituting Part 14 (commencing with Section 53570) of Division 31 of the Health and Safety Code of the State of California (the "Teacher Housing Act"), the State Legislature has found and declared that the stability of housing for school employees is critical to the overall success and stability of schools in California, and that students and the community at large are benefited by teachers living in the community in which they work; and

WHEREAS, the Teacher Housing Act authorizes a school district to establish and maintain programs that address the housing needs of teachers and school district employees; and

WHEREAS, to that end, the Board wishes to submit to the voters of the District a measure authorizing the issuance of general obligation bonds of the District for the purpose of financing the acquisition, construction and improvement of affordable rental housing (as such term is defined in the Teacher Housing Act) for teachers and employees of the District, to be built on land which is owned or will be owned by the District; and

WHEREAS, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Articles XIII A of the California Constitution ("Article XIII A") to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

WHEREAS, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the “Act”), became operative; and

WHEREAS, in order to address the facilities needs of the District to provide affordable rental housing to District teachers and employees as described herein, in the judgment of the Board, it is advisable to call an election pursuant to the Act to submit to the electors of the District the question whether bonds of the District shall be issued and sold pursuant to the authority of Article XVI Section 18 of the California Constitution and Article XIII A (together with the Act, the “Law”) for the purposes authorized by the Law and as described in Appendix A hereto (the “Full Text of Bond Measure”); and

WHEREAS, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election at which all of the electors of the District are entitled to vote, or a statewide special election, upon a two-thirds vote of the Board; and

WHEREAS, the Board wishes to call an election in the District pursuant to the Law on June 5, 2018, which is the date of the statewide primary election, and pursuant to Education Code Section 15121 and Elections Code Section 10400 and following, to request consolidation with any and all other elections held in the District on such date, and to request the San Mateo County Registrar of Voters (the “County Registrar”) to perform election services for the District; and

WHEREAS, in connection with the calling of a bond election and in accordance with Education Code Section 15100 subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections (if any) of assessed property valuations made by the County Assessor;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE JEFFERSON UNION HIGH SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals; Findings. The foregoing recitals are true and correct.

Section 2. Call for Election. The Board hereby orders an election and submits to the electors of the District the question of whether general obligation bonds of the District shall be issued and sold in the maximum principal amount of \$33,000,000 for the purpose of financing the acquisition, construction and improvement of affordable rental housing (as such term is defined in the Teacher Housing Act) for teachers and employees of the District, as more fully described in the ballot measure approved under Section 4 and attached hereto as Appendix A (Full Text of Bond Measure) and Appendix B (Abbreviated Text of Bond Measure), and paying all costs incident thereto. This Resolution constitutes the order of the District to call such election and shall constitute the “specifications of the election order” pursuant to Education Code Section 5322.

Section 3. Election Date. The date of the election shall be June 5, 2018, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District’s last election.

Section 4. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a bond measure, a full copy of which is

attached hereto as Appendix A and marked “Appendix A – Full Text of Bond Measure” (the “Full Text of the Measure”), containing the question of whether the District shall issue general obligation bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading “FULL TEXT OF BOND MEASURE” and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such letter an/or number measure designation assigned to the measure by the County elections official inserted where appropriate. As required by Education Code Section 5322 and Elections Code Section 13247, the abbreviated form of the measure to appear on the ballot is attached hereto as Appendix B and is marked as “Appendix B – Abbreviated Form of Bond Measure.” The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to the text of the measure as described herein to conform to any requirements of the Law or the County Registrar.

Section 5. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code, Article XVI Section 18(b) of the California Constitution and paragraph (b) subsection (3) of Article XIII A. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 6. Proceeds for School Facilities Projects. The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIII A, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

Section 7. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures. As required by Article XIII A, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

- (a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;
- (b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A;
- (c) establish and appoint members to an independent citizens’ oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;
- (d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;
- (e) cause the creation of accounts into which bond proceeds shall be deposited; and

- (f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

Section 8. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the San Mateo County Superintendent of Schools, (2) the County Registrar, and (3) the San Mateo County Clerk of the Board of Supervisors (the "Clerk of the Board") for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

Section 9. Consolidation of Election; Request to Provide Services. The County Registrar and the San Mateo County Board of Supervisors are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on June 5, 2018 within the District.

Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of San Mateo County is requested to permit the County Registrar to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the District agrees to reimburse San Mateo County in full upon presentation of a bill from the County, such services to include the publication of a formal Notice of School Bond Election and the mailing of the sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

Section 10. Approval of Tax Rate Statement. Pursuant to Elections Code Section 9401, a tax rate statement has been prepared in the form attached hereto as Appendix C, which form of Tax Rate Statement is hereby approved for inclusion in the sample ballot. The President of the Board, the Superintendent, or any written designee of the foregoing, are hereby separately authorized and directed to execute the tax rate statement, and to file said Statement with the County Registrar, in accordance with Section 9.

Section 11. Ballot Arguments. As provided in Elections Code Section 9501, any and all members of this Board are hereby authorized to act as an author of any ballot argument prepared in connection with the election, including a rebuttal argument.

Section 12. Maturity Limit of Bonds. The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of such issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 13. Legal Services. The Board retains the firm of Jones Hall, A Professional Law Corporation as legal counsel in connection with the proceedings for the election and for the issuance of any bonds which are authorized under the election. The

Superintendent is authorized to execute an agreement with Jones Hall providing for legal services rendered in connection with the proceedings described herein.

Section 14. Official Actions. The President of the Board and the Superintendent are hereby separately authorized and directed to execute and deliver to County officials any directions, requisitions, clarifications or other writings for the District, and to make any changes to the texts of the measure as described herein and in the tax rate statement, to conform to any legal requirements or the County Registrar, in order to cause the election to be held and conducted in the District as provided herein.

Section 15. Effective Date. This resolution shall take effect on and after its adoption.

* * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Jefferson Union High School District of San Mateo County, being the Board authorized by law to make the designations therein contained by the following vote, on February 6, 2018.

Adopted by the following votes: *[2/3 of Board required for approval]*

AYES:

NOES:

ABSENT:

ABSTAIN:

President of the Board

Attest:

Clerk/Secretary of the Board

APPENDIX A

FULL TEXT OF BOND MEASURE

INTRODUCTION

“To build affordable rental housing so teachers and school staff can live in the communities where they work, shall Jefferson Union High School District (including Jefferson, Oceana, Terra Nova, Thornton, Westmoor and Adult-Ed High Schools) issue \$33 million of bonds with an average tax levy of 0.7 cents per \$100 of assessed valuation while the bonds are outstanding (\$2.3 million per year), legal rates, annual audits and independent taxpayer oversight?”

BOND AUTHORIZATION

By approval of Measure ___ by at least 55 percent of the registered voters voting on the measure, the Jefferson Union High School District will be authorized to issue and sell bonds of up to \$33 million in aggregate principal amount at interest rates not to exceed legal limits, having an estimated final maturity in 2042, and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens’ Oversight Committee. Following approval of this measure, the School Board will establish an Independent Citizens’ Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

Performance Audits. The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the San Mateo County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the School Board not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT.

This measure authorizes the issuance of general obligation bonds to finance the types of projects set forth on the Bond Project List set forth below. The measure presented to District voters on the Ballot, as set forth above under the heading "INTRODUCTION", includes information regarding the expected average amount of money raised annually to pay issued bonds, the estimated rate of the approved tax per \$100 of assessed valuation, and the year through which it is approximated the proposed tax will be levied and collected. Each of these estimates and approximations are provided as informational only and in accordance with legal requirements. Such amounts are estimates only, and are not maximum amounts or limitations on the terms of the bonds or the tax rate or duration supporting repayment of bonds. The approximations and estimates provided depend on a number of variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. As such, while such estimates and approximations have been provided based on information currently available to the District and its current expectations, such estimates and approximations are not binding upon the District.

BOND PROJECT LIST

Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities, and other

planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary contingency, and other costs incidental to and necessary for completion of the listed projects.

The District may alter the scope and nature of any of the specific projects that are described below as required by conditions that arise over time.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion. The itemization of projects in the list below does not guarantee that all such projects will be undertaken. The ability of the District to undertake and complete the listed projects is subject to the adequacy and availability of sufficient funding sources.

CONSTRUCTION OF AFFORDABLE RENTAL HOUSING FOR DISTRICT TEACHERS AND STAFF

Bond proceeds will be expended to design, build and acquire approximately 80 units of low cost, affordable rental housing to be located at the former Serramonte High School site or such other acceptable sites in Daly City, California as may be designated by the District. The provision of such affordable rental housing units is intended to allow Jefferson Union High School District teachers and staff members to live in or near the communities in which they work and to provide the District with the ability to better attract and retain quality staff. Project costs may include but are not limited to:

- Design, construction and acquisition of rental housing units
- Parking lot construction and improvement as needed
- Architect and engineering fees
- General contractor fees
- Labor and material costs
- Sewer capacity improvements
- Environmental review
- Rezoning application fees as required
- Municipal licensing fees as required

Each of the projects described in this Bond Project List include all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with

existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration including by District personnel during the duration of such projects, as permitted by law.

APPENDIX B

ABBREVIATED FORM OF BOND MEASURE

To build affordable rental housing so teachers and school staff can live in the communities where they work, shall Jefferson Union High School District (including Jefferson, Oceana, Terra Nova, Thornton, Westmoor and Adult- Ed High Schools) issue \$33 million of bonds with an average tax levy of 0.7 cents per \$100 of assessed valuation while the bonds are outstanding (\$2.3 million per year), legal rates, annual audits and independent taxpayer oversight?

Bonds—Yes

Bonds—No

APPENDIX C

TAX RATE STATEMENT REGARDING PROPOSED

\$ _____
**JEFFERSON UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS**

An election will be held in the Jefferson Union High School District (the "District") on June 5, 2018, to authorize the sale of up to \$_____ in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* tax levies made upon the taxable property in the District. The following information is provided in compliance with Sections 9400-9404 of the Elections Code of the State of California. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.____ per \$100 of assessed valuation (or \$____ per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is 20____-20____.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.____ per \$100 of assessed valuation (or \$____ per \$100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 20____-____ and following.
3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately \$_____.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to

factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and the equalization process.

By: _____
Superintendent
Jefferson Union High School District