VISTA UNIFIED SCHOOL DISTRICT
EXCELLENCE ★ INNOVATION

Community Facilities and Finance Committee
Detailed Description of Various Funding Sources

Source	Description
Asset Management Process – Surplus Sites	➢ Significant Education Code requirements ➢ Community input on closures or sales ➢ "7/11 Committee" needed ➢ Priority to public agencies ➢ Park & Rec uses have priority, negotiated price ➢ Private party sale is permitted if no public sale ➢ Sealed bids, with oral offers over 10% ➢ Board adopts a ROI with a 2/3 vote ➢ Proceeds must go to capital outlay, some exceptions ➢ Governed by Naylor Act which controls to whom the property is offered, in what sequence of entities and selling price
General Obligation Bonds (Prop. 46) – 66.67% Vote required	➢ General Obligation Bonds are used by cities, counties and school districts to finance the acquisition and construction of public facilities ➢ In June 1986, California voters approved Proposition 46, a constitutional amendment that restored the authority to issue General Obligation bonds to counties, cities and school districts. General obligation bonds, also called G.O. bonds, are backed by the full faith and credit of the issuing agency and are paid for by increasing local property taxes above the limit imposed by Proposition 13. Because they involve an increase in property taxes, they require voter approval. ➢ The local agency initiates a G.O. bond election by passing a resolution placing the proposed bond issue on the ballot. The resolution must specify and describe the public project(s) to be financed. Voter election packets must include information about the proposed increase in the tax rate, ballot arguments, and the specific uses of the proceeds of the bonds. If the measure is approved, the agency (SD County) will begin levying the amount necessary to pay principal and interest on the bonds on the next property tax bill.

EH&A
HELPING SCHOOL DISTRICTS MEASURE UP

	➢ G.O. bonds are repaid with proceeds from ad valorem property taxes. These are calculated based on the assessed value of property and the charge on the property tax bill will continue until the bonds have been paid off in full.
General Obligation Bonds (Prop. 39) – 55% Vote required	➢ Both financial and performance audits conducted annually ➢ That no proceeds be used for salaries or operating expenses ➢ That districts make "reasonably equivalent" facilities available to public charter schools upon request ➢ Citizens' oversight committees ➢ The bond proposal be placed on the ballot of a statewide primary or general election, a regularly scheduled local election or a statewide special election ➢ The tax rates levied do not exceed prescribed maximums
Qualified Zone Academy Bonds (QZABs)	➢ **No longer supported**
Qualified School Construction Bonds (QSCBs)	➢ **No longer supported**
Routine Restricted Maintenance Account	➢ Monies dedicated in the District's General (Operating) Fund used for the general maintenance and upkeep of school facilities ➢ Education Code Section 17070.75 requires all school districts who receive State funds under the Lease-Purchase Program (LLP) or the School Facilities Program (SFP), to establish a **3%** Routine Restricted Maintenance Account (RRMA) within the school district's general fund for the exclusive purchase or providing funds for ongoing and major maintenance of school buildings. ➢ For VUSD, 3% of the General Fund amounts to approximately $7.5 Million. Increase in this amount would require reductions in other educational services throughout the District.
School Facilities Improvement District	➢ **A means of conducting a General Obligation Bond Election/Authorization in a portion of a school district's boundaries** ➢ Determination of included/excluded territory includes preparation of Boundary Map ➢ Board adopts Resolution of Intention – Noticed Public Hearing ➢ Provide Notice of Hearing ➢ Board conducts Hearing on Formation

	➢ Following Hearing, Board adopts Resolution to Form SFID } Files SFID Map with Registrar of Voters (to Conduct Election) ➢ Determination of SFID Boundary rests with the Board ➢ Smaller Area Subject to Tax means Small Revenue Base for Bond Issuance ➢ Only voters within the SFID Vote on Bond Measure } Only Properties within the SFID are taxed to pay for Bonds
Developer Fees (School Impact Fees)	➢ Developer fees are fees that are paid by property owners and developers to school districts to mitigate the impact created by new development within a school district's boundaries on the school facilities. Fees are typically paid to the school district as a condition of a property developer or owner obtaining a building permit from the city or county for a construction project. ➢ Level 1 Fees are established by the State and are considered the basic mitigation fee. Justification for the fee can be shown if anticipated residential, commercial and industrial development within a district will impact it with additional students. The State Allocation Board (SAB) reviews and adjusts the rate every 2 years. The current rate adopted in 2017 is \$3.48 per square foot for new residential development and \$0.56 per square foot for new commercial development. ➢ Both of the rates noted above are maximums and reassessed biennially with the next review in February, 2018 ➢ Based upon need & a study ➢ Intended to mitigate impact of new development ➢ A "nexus" must exist between development and impact upon the District
Community Facilities Districts (CFDs)	➢ In 1978 Californians enacted Proposition 13, which limited the ability of local public agencies to increase property taxes based on a property's assessed value. In 1982, the Mello-Roos Community Facilities Act of 1982 (Government Code §53311-53368.3) was created to provide an alternate method of financing needed improvements and services. ➢ The Act allows any county, city, special district, school district or joint powers authority to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of

	public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. By law, the CFD is also entitled to recover expenses needed to form the CFD and administer the annual special taxes and bonded debt. ➢ A CFD is created to finance public improvements and services when no other source of money is available. CFDs are normally formed in undeveloped areas and are used to build roads and install water and sewer systems so that new homes or commercial space can be built. CFDs are also used in older areas to finance new schools or other additions to the community. ➢ A CFD is created by a sponsoring local government agency. The proposed district will include all properties that will benefit from the improvements to be constructed or the services to be provided. A CFD cannot be formed without a two-thirds majority vote of residents living within the proposed boundaries. Or, if there are fewer than 12 residents, the vote is instead conducted of current landowners. In many cases, that may be a single owner or developer. Once approved, a Special Tax Lien is placed against each property in the CFD. Property owners then pay a Special Tax each year. If the project cost is high, municipal bonds will be sold by the CFD to provide the large amount of money initially needed to build the improvements or fund the services. ➢ How is the Annual Charge Determined? By law (Prop. 13), the Special Tax (within the CFD) cannot be directly based on the value of the property. Special Taxes instead are based on mathematical formulas that take into account property characteristics such as use of the property, square footage of the structure and lot size. The formula is defined at the time of formation, and will include a maximum special tax amount and a percentage maximum annual increase. ➢ If bonds were issued by the CFD, special taxes will be charged annually until the bonds are paid off in full. Often, after bonds are paid off, a CFD will continue to charge a reduced fee to maintain the improvements.

	➢ Disclosure Requirements by seller to prospective buyer ➢ Rights to Accelerated Foreclosure – Fees delinquent in a CFD over 90 provides the to foreclose on the property
Parcel Tax	➢ Districts can tax the owners of property within a school district through the use of a parcel tax. A parcel tax is a "non-ad valorem tax", which means it is not based on the value of the property. The tax is most often assessed as a flat fee on each parcel, but it can also be assessed on a per square footage basis. Parcel taxes are used for general district operating expenses as a way to supplement insufficient state funding for programs that are important to a community. Parcel taxes require 2/3 voter approval to pass. ➢ The school board authorizes the district to place the measure on the local ballot. The language in the ballot measure specifies how the proceeds will be used and the duration of the tax. Most parcel taxes are levied for a finite period of time - typically 3-7 years, after which they automatically expire, or "sunset." Some districts have been successful in passing parcel taxes that do not sunset. ➢ Citizen oversight is not a legal stipulation for passing a parcel tax, however many districts include the creation of an oversight committee in the ballot language. This assures taxpayers that the money raised will be spent in accordance with the voter-approved language. With or without citizen oversight, school district Chief Business Officials are required to give a public update to the school board each year on the amount of funds generated by the tax and how the funds are being spent. ➢ Because of their duration, they are typically used to satisfy programmatic needs such as Maintenance; Class Size; Technology; Libraries
Lease Financing (COPs)	➢ Bridge/Interim Financing technique that pledges the District’s general funds for the repayment of the COPs ➢ Generally, dollar amount is low ➢ District loans / secured by lease payments ➢ Payment terms / length flexible (typically approximately 13 years)

	➢ Wide variety of uses ➢ Requires Fiscal audit
State School Facility Program (SFP)	➢ Heavily regulated ➢ Not a "local source" ➢ Prerequisite is that State has to sell bonds ➢ Requires eligibility & application for funds ➢ VUSD took advantage of $145 Million 15 year ago. Very little eligibility left for VUSD
Prop. 39 – Clean Energy Act Funding	➢ Allocation from state – $4.3 Million has been allocated to VUSD over the past 4 years
	➢

School		Construction Cost	Soft Cost	TOTAL
Pre-K (Special Education)				
1	California Avenue	12,094,287.19	3,455,510.63	15,549,797.81
Elementary Schools				
2	Alamosa Park	19,691,978.69	5,907,593.61	25,599,572.29
3	Beaumont	19,493,681.48	5,569,623.28	25,063,304.77
4	Bobier	15,504,389.97	4,651,316.99	20,155,706.96
5	Breeze Hill	21,738,721.53	6,211,063.29	27,949,784.82
6	Casita Center	21,040,413.19	6,011,546.63	27,051,959.81
7	Empresa	20,614,378.25	5,889,822.36	26,504,200.60
8	Foothill Oak	12,547,367.14	3,584,962.04	16,132,329.18
9	Grapevine	14,355,128.81	4,101,465.38	18,456,594.19
10	Hannelei	2,275,427.70	1,083,537.00	3,358,964.70
11	Lake	22,437,637.62	6,410,753.61	28,848,391.23
12	Maryland	16,092,087.24	4,597,739.21	20,689,826.46
13	Mission Meadows	20,583,990.59	5,881,140.17	26,465,130.76
14	Monte Vista	23,860,387.69	6,817,253.63	30,677,641.31
15	Olive	4,578,950.00	1,373,685.00	5,952,635.00
16	Temple Heights	11,799,526.92	3,371,293.41	15,170,820.33
Middle Schools				
1	Madison	17,893,096.00	5,399,729.00	23,292,825.00
2	Rancho Minerva	9,370,000.00	2,681,400.00	12,051,400.00
3	Roosevelt	9,366,818.00	2,789,185.00	12,156,003.00
4	VIDA	24,264,804.00	7,332,891.00	31,597,695.00
5	Vista Magnet	50,543,529.00	15,028,058.00	65,571,587.00
High Schools				
1	Alta Vista	5,356,000.00	1,606,800.00	6,962,800.00
2	Major General Raymond Murray	4,698,500.00	1,409,550.00	6,108,050.00
3	Mission Vista	4,205,000.00	1,261,500.00	5,466,500.00
4	Rancho Buena Vista	74,605,500.00	22,381,650.00	96,987,150.00
5	Vista	119,805,000.00	35,941,500.00	155,746,500.00
K-8 Schools				
1	Vista Academy of Visual and Performing Arts	29,226,847.78	8,350,527.94	37,577,375.72
K-12 Schools				
1	Vista Visions Academy	1,379,700.00	413,910.00	1,793,610.00
			$ 179,515,007.15	**$ 788,938,155.95**