



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Treasurer - Tax
Collector
Department No.: 065
For Agenda Of: 1/19/16
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Harry E. Hagen, CPA, CPFO, ACPFIM, CFIP, Treasurer - Tax
Director(s) Collector
568-2490
Contact Info: Jennifer C. Christensen, JD MBA CPFO CFIP, Investment and
Debt Officer
568-2925

SUBJECT: Santa Barbara Unified School District Facilities Improvement District

County Counsel Concurrence

As to form: Yes

Other Concurrence:

Debt Advisory Committee

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a Resolution of the Board of Supervisors of the County of Santa Barbara to Make Applicable to the Santa Barbara Unified School District the Provisions of the Education Code of the State of California Permitting Formation of School Facilities Improvement Districts; and
- b) Determine that the above action is not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because it consists of organizational or administrative activities of government that will not result in direct or indirect physical changes in the environment.

Summary Text:

Santa Barbara Unified School District (the District) is requesting that the Santa Barbara County Board of Supervisors make the school facilities improvement district law applicable in Santa Barbara County to the District. Chapter 2 (commencing with section 15300) of part 10 of Division 1 of Title 1 of the California Education Code authorizes school districts to form school facilities improvement districts consisting of a portion of territory within a school district and permits the issuance of general obligation bonds by a school facilities

Auditor-Controller Concurrence

As to form: Yes

improvement district. The voters within that area may be asked to authorize the issuance of general obligation bonds to pay for certain school facilities improvements serving such areas.

The District is proposing to form a school facilities improvement district (SFID) using the boundaries of the former Santa Barbara Elementary School District. In order for the District to be able to form a SFID, the County Board of Supervisors must adopt a resolution making Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code applicable in the County. Education Code Section 15303 provides that the resolution may make this chapter operative in the county generally, or to one or more school districts or community college districts. The proposed resolution makes the chapter operative only to the Santa Barbara Unified School District.

Background:

According to information provided by the District, the District is the successor public agency to the Santa Barbara Elementary School District (the "Elementary School District") and the Santa Barbara Secondary/High School District (the "High School District"). The Elementary School District and the High School District were established as separate school districts under the Santa Barbara City Charter, although the City Charter required the continued existence of a single Board of Education (the "District Board") to govern both districts. Although the territory of the two districts was initially coterminous, over several years the High School District annexed surrounding territory which included the geographical area of four additional elementary school districts: Montecito Union School District, Cold Spring School District, Hope School District and Goleta Union School District (collectively, the "Feeder Districts").

Pursuant to a petition filed on February 20, 2011 with the Santa Barbara County Superintendent of Schools, the District Board requested that the Elementary School District and the High School District be reorganized into a single unified district. On March 9, 2011, the County Superintendent determined that the petition was sufficient and transmitted the petition to the County Committee on School District Reorganization (the "County Committee") and to the State Board of Education. On May 19, 2011, the County Committee adopted a resolution granting the petition and imposing certain additional conditions. Significantly, the County Committee provided that all proceeds from sold and unsold general obligation bonds of each of the Elementary School District and the High School District would be expended only in the respective original boundaries of each district, and that the liability for the bonded indebtedness of each district would remain solely within the territory comprising each such district. In addition, pursuant to requests filed by the respective governing boards thereof, each of the Feeder Districts was excluded from the unification action. The District has provided three maps to illustrate the boundaries of the District and the proposed SFID.

The District has completed its Facilities Master Plan and has approximately 900 million dollars' worth of needs; 300 million are related to the elementary boundaries. The facility needs range from new roofs, replacement of portables with permanent buildings, asphalt replacement and a variety of other projects. The District hopes that in November 2016, the taxpayers will support the issuance of approximately 60 million in General Obligation Bonds. To make this possible the Board of Supervisors must approve a resolution making the SFID law applicable in the County to the District.

Bond counsel for the school district has stated that following formation of the SFID, the Feeder Districts will still be able to avail themselves of the bonding capacity of 1 ¼% of taxable assessed value.

On December 18, 2015, the District appeared before the Debt Advisory Committee (DAC) and requested that the DAC recommend that the Board of Supervisors adopt a resolution permitting the formation of the SFID. The

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DAC members approved a motion to recommend that the Board of Supervisors adopt a resolution permitting the formation of the SFID.

Fiscal and Facilities Impacts:

Budgeted: N/A

Special Instructions:

Pursuant to Education Code Section 15303(b), the Clerk of the Board shall file the Resolution with the California Debt and Investment Advisory Commission established pursuant to Section 8855 of the Government Code.

Fiscal Analysis:

The proposed obligation to be issued by the district will be the sole responsibility of the taxpayers and the district. The county will have no financial or legal obligation for repayment. No financial obligations are placed on the county for project financing or debt repayment.

Attachments:

1. Resolution of the Board of Supervisors of the County of Santa Barbara to Make Applicable to the Santa Barbara Unified School District the Provisions of the Education Code of the State of California Permitting Formation of School Facilities Improvement Districts
2. Maps

Authored by:

Jennifer C. Christensen, JD MBA CPFO CFIP, Investment and Debt Officer