

RESOLUTION NO. 18-05

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
SANTA CLARA UNIFIED SCHOOL DISTRICT
ORDERING A SCHOOL BOND ELECTION,
ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND
REQUESTING CONSOLIDATION WITH OTHER ELECTIONS
OCCURRING ON JUNE 5, 2018**

WHEREAS, the Santa Clara Unified School District (the "District") is a unified school district serving kindergarten through 12th grade duly organized under the laws of the State of California;

WHEREAS, the Board of Trustees of the District (the "Board") is authorized, upon a two-thirds vote of the Board, to pursue the authorization and issuance of bonds by a 55% vote of the electorate on the question of whether bonds of the District (the "Bonds") shall be issued and sold for specified purposes, under Article XIII A Section 1 paragraph (b) of the California Constitution ("Article XIII A") and under the Strict Accountability in Local School Construction Bonds Act of 2000 at Education Code Section 15264 et seq. (the "Strict Accountability Act");

WHEREAS, under the Strict Accountability Act, the election may be ordered at a primary or general election, a regularly scheduled local election, or a statewide special election;

WHEREAS, under Section 10403 et seq. of the California Elections Code, it is appropriate for the Board to request consolidation of the election with any and all other elections to be held on Tuesday, June 5, 2018, and to request the Santa Clara County Registrar of Voters (the "County Registrar") to perform certain election services for the District; and

WHEREAS, the Board deems it necessary and advisable to call an election to submit to the electors of the District the question whether District bonds shall be issued and sold for the purpose of raising money for the acquisition and improvement of real property and the furnishing and equipping of school facilities of the District.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Santa Clara Unified School District, Santa Clara County, California, as follows:

Section 1. Election Order. 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 principal amount of \$875,000,000 for the purposes described in the ballot measure approved under Section 3 and attached hereto as Exhibit A and Exhibit B, and paying 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 2. Authority for the Election; Election Date. Pursuant to Education Code Sections 5304 and 5322, the Strict Accountability Act, and Article XVI, Section 18(b) of the California Constitution, an election shall be held within the boundaries of the District on June 5, 2018.

Section 3. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a measure, a full copy of which is attached hereto as Exhibit A and marked "Exhibit A – Ballot Measure – Full Text of the Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue the bonds for the purposes stated therein, together with the accountability requirements of Article XIII A and the requirements of Section 15272 of the Strict Accountability Act. The Full Text of the Measure, which commences with the heading "Ballot Measure – Full Text of the Measure" and includes all of the text thereafter on Exhibit A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure. As required by Elections Code Section 13247 and Education Code Section 5322, the abbreviated form of the measure to appear on the ballot is attached hereto as Exhibit B and is marked as "Exhibit B – Ballot Measure – Abbreviated Form" (the "Abbreviated Ballot Measure"). The Superintendent and the Chief Business Official, or their designee, are hereby authorized and directed to make any changes to the text of the measure (Full Text of the Measure and/or Abbreviated Ballot Measure) as required to conform to any requirements of Article XIII A, the Strict Accountability Act, the Elections Code, the County Registrar, the Office of the Santa Clara County Counsel, or the District's bond counsel.

Section 4. Use of Bond Proceeds.

a. Proceeds from the sale of the bonds may be used only for the purposes specified in Article XIII A, section 1(b)(3) of the California Constitution.

b. The projects that may be funded from proceeds from the sale of bonds (the "Projects"), are listed in the Full Text of the Measure.

Section 5. Accountability Requirements.

a. Pursuant to Article XIII A, section 1(b)(3), the Board shall conduct an annual, independent performance audit to ensure that the bond funds have been expended only on the specific Projects listed in the Full Text of the Measure.

b. Pursuant to Article XIII A, section 1(b)(3), the Board shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of the proceeds have been expended for the Projects listed in the Full Text of the Measure.

c. Pursuant to Government Code section 53411, the Chief Business Official of the District shall issue an annual report to the Board containing the amount of funds collected and expended as well as the status of the Projects authorized in the Full Text of the Measure. The District's adopted budget or Audit Report will suffice for this purpose.

d. Pursuant to the Strict Accountability Act, within 60 days of the date the Board enters the election results on its minutes, the Board will appoint a citizens' oversight

committee to review and report on the proper expenditure of taxpayers' money for school construction.

Section 6. Vote Required. Pursuant to Section 18(b) of Article XVI and Section 1 of Article XIII A of the California Constitution, the bond measure shall become effective only upon affirmative vote of fifty-five percent (55%) of those voters voting on the measure.

Section 7. Delivery of this Resolution; County Registrar of Voters to Call and Conduct Election. The Superintendent, or his designee, is hereby directed to send a copy of this Resolution, along with the Tax Rate Statement described in Sections 9 and 11 below and attached hereto as Exhibit C to (1) the County Registrar, (2) the Superintendent of Schools of Santa Clara County, and (3) the Clerk of the Board of Supervisors of Santa Clara County by March 9, 2018, or such other date as is acceptable to each party.

Pursuant to Section 5303 of the Education Code, the County Registrar is hereby requested to take all steps to prepare for and hold the election within the boundaries of the District in accordance with law and these specifications.

Section 8. Consolidation with Other Elections. Pursuant to Sections 5342, 15121, and 15266 of the Education Code and Part 3 (commencing with Section 10400) of Division 10 of the Elections Code, the County Registrar and the Board of Supervisors of Santa Clara County (the "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 10403 of the Elections Code, the Board hereby acknowledges that the consolidated election will be held and conducted in the manner prescribed by Section 10418 of the Elections Code.

Section 9. Services of County Registrar of Voters. Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Registrar to render all services incident to the preparation for and holding of the election, for which services the District agrees to reimburse Santa Clara County (the "County") in full from District funds 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 Full Text of the Measure, the Abbreviated Measure, and the tax rate statement (described in Elections Code Section 9401) (the "Tax Rate Statement"). The Board hereby requests the County Registrar to publish in the ballot materials, the Full Text of the Measure, the Abbreviated Ballot Measure, and the Tax Rate Statement attached hereto as Exhibits A, B and C.

Section 10. Canvass of Returns. The Board of Supervisors is authorized to canvass the returns of the election pursuant to Section 10411 of the Elections Code.

Section 11. Ballot Arguments; Tax Rate Statement. 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. The Board hereby approves the form of the Tax Rate Statement. The President of the Board, the Superintendent, the Chief Business Official, or any designee of the foregoing, are hereby authorized to execute the attached Tax Rate Statement or other document and to perform all acts necessary to place the bond measure on the ballot.

Section 12. State Matching Funds. Some of the Projects may require state matching funds for completion. Approval of the District's bond measure does not guarantee that the proposed Projects will be funded beyond the local revenues generated by this bond measure. The District's completion of some of the Projects may depend on receipt of State funds.

Section 13. Encumbrance of Bond Funds. For the purpose of making bond funds unavailable as rent within the meaning of Education Code section 17032, the Board hereby encumbers all funds to be generated by the sale of the Bonds in order to pay for the acquisition and construction of the Projects authorized by the ballot measure.

Section 14. Official Intent to Reimburse Expenditures. The District intends to undertake the acquisition, construction, renovation, furnishing, and equipping of the Projects as described in the Full Text of the Measure. The District intends to use the proceeds of its Bonds described in this Resolution to finance the Projects. The District may pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Projects prior to the issuance of the Bonds. The Bonds, in the amount of \$875,000,000 will be issued for the purpose of financing the Projects on a long-term basis and certain of the proceeds of such debt obligations may be used to reimburse the District for the certain expenditures.

The Board hereby declares the District's official intent to use a portion of the proceeds of the Bonds to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2.

Section 15. General Authorization with Respect to the Bond Measure and with Respect to this Resolution No. 18-05. The Superintendent is hereby authorized and directed, to undertake any and all actions and to modify, execute, deliver, and perform any and all documents deemed necessary to meet all requirements of applicable law, including any legislative changes, and to effectuate the purposes of this Resolution. Such actions on the part of the Superintendent may include making any changes to this Resolution, the Full Text of the Measure, the Abbreviated Ballot Measure or the Tax Rate Statement (hereinafter the "Ballot Documents"). In the event of any such modifications to the Ballot Documents, the Superintendent is hereby further authorized to supplement or replace the original versions of such documents with the versions modified pursuant hereto. Such modified versions shall thereafter be deemed to constitute the final, complete and approved version of this Resolution No. 18-05 for all intents and purposes. All actions heretofore taken by the Superintendent or any other authorized officers or agents of the District that are in conformity with the purposes and intent of this Resolution are hereby approved in all respects.

Section 16. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the following vote of the members of the Board of Trustees of the Santa Clara Unified School District, of Santa Clara County, State of California, this 27th day of February, 2018:

AYES	_____
NOES	_____
ABSENT	_____
ABSTAIN	_____

**BOARD OF TRUSTEES OF THE SANTA
CLARA UNIFIED SCHOOL DISTRICT**

Noelani Pearl Hunt
President of the Board of Trustees

ATTEST:

Stanley Rose III, Ed.D.
Secretary of the Board of Trustees

EXHIBIT A
BALLOT MEASURE
FULL TEXT OF THE MEASURE

To construct classrooms, labs, and school libraries to support student achievement, college readiness, and career training in math, science, engineering, technology, and arts; acquire, renovate, construct and equip facilities to improve older schools; to fix deteriorating roofs, plumbing and electrical systems, shall Santa Clara Unified School District issue \$875,000,000 in bonds, repaying an annual average of \$46,803,661.23 for 39 years at 5 cents per \$100 of assessed value, with independent citizen oversight, and all money staying local?

Effect of Passing the Measure

Upon the passage of Measure _____, as set forth above, the Santa Clara Unified School District (the "District") shall be authorized to issue bonds in the aggregate amount of \$875,000,000 (the "Bonds"), bearing interest at rates not exceeding the statutory limit, for the purpose of funding the school facilities projects listed below (the "Projects") at the District's school sites and properties.

Bond Accountability Measures

The Board certifies that it evaluated safety, class size reduction, and information technology needs in developing the list of the Bond Projects set forth below.

The Board will conduct financial and performance audits annually to account for the Bond funds and for their expenditure on the specific authorized projects.

The Board will appoint a citizens' oversight committee (the "Citizens' Oversight Committee") having a minimum of seven members and including at least one member active in a business organization representing the business community located within the District, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is the parent or guardian of a child enrolled in the District, and one member who is both a parent or guardian of a child enrolled in the District and active in a parent-teacher organization.

The Bond Project List set forth below describes the specific projects the District proposes to finance with proceeds of the Bonds.

Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction, rehabilitation, or replacement, along with related costs of school facilities as set forth herein, including the furnishing and equipping of said school facilities, or the acquisition or lease of real property for said school facilities.

Bond Project List

Specific projects that may be funded by the bond measure include without limitation, the following:

Agnews Comprehensive High School: Construct new comprehensive high school for 1,600 students, with gymnasium, theater, aquatic center, stadium, fields, outdoor athletic facilities, field lighting and other related amenities.

Peterson Middle School: Replace pool, replace locker building, construct field improvements, and other related amenities in coordination with Patrick Henry Campus Master Plan.

Patrick Henry Campus New Elementary School: Construct new school, renovate fields, DRC facilities, and farm facilities in coordination with Peterson Middle School reconstruction.

Monticello Campus New Valley High School: Construct new facilities for New Valley High School and Gateway Program, renovate fields, construct new facilities for Special Education program, and other related amenities.

Laurelwood School: Remove portable buildings, improve parking and drives, and implement improvements to modify grade configurations, and other related amenities.

Martinson Property: Construct Adult Education facilities and Family-Child Education Program facilities.

Bracher Elementary School: Construct Family-Child Education Program facilities.

Briarwood Elementary School: Construct Family-Child Education Program facilities.

All School Sites and Administrative Facilities:

Install, replace, or upgrade security cameras, video security, and surveillance systems, including necessary support infrastructure.

Install and construct projects to leverage resources for energy efficiency and environmental sustainability available from the Proposition 39 Clean Energy Jobs Act 2013, CHPS, LEED, Savings-by-Design, or other similar programs.

Install and construct building window systems for energy efficiency, sound insulation, and daylight control.

Install and construct air conditioning to school spaces.

Replace roofs, and roof drainage, water, storm drainage, and sanitary sewer systems.

Replace, upgrade, or modify heating, air conditioning and ventilation (HVAC), lighting, electrical, energy, and utility management systems and features that are energy efficient and will reduce utility costs.

Replace or upgrade HVAC, lighting, electrical, energy and utility management systems to increase efficiency and reduce utility costs.

Replace covered walkways where re-roofing and seismic strengthening are not economically feasible.

Replace deteriorated asphalt play surfaces, parking lots, and driveways, along with water-damaged structures and finishes, including paint, floor coverings, wall surfaces, and ceilings.

Replace outdated and inefficient boiler systems.

Remove hazardous materials including, but not limited to, asbestos, lead, or PCB contamination, and underground storage tanks.

Improve technology systems necessary for student learning, efficient operations, security, increased capacity, and processing speed.

Construct site improvements to address improper drainage, erosion control, proper storm water management systems and procedures, and efficient landscape water usage, and upgrade landscape systems to enhance water efficiency and improve the appearance of District facilities.

Construct improvements to enhance student, staff, and public safety, including walkways and security, and improve facilities for bus and parent drop-off and pick-up of students.

Improve school, building, and room identification systems including signage and wayfinding for security and first responder access.

Improve fire-life-safety systems including fire alarms, fire suppression systems, clock-bell-intercom systems, telephone systems, doors, hardware and access control systems, windows and window coverings, and intrusion alarms.

Correct building and site deficiencies related to the Americans with Disabilities Act and access compliance requirements of the Division of the State Architect (DSA), including, but not limited to, path-of-travel, restrooms, and parking.

Replace or improve outdoor athletic facilities including, but not limited to: natural or synthetic turf, irrigation and drainage systems, replacement bleachers, press-box, restroom, concession, lighting or sound systems, and improvements for accessibility and replace game and practice fields with artificial turf, renovate turf, improve drainage, replace irrigation systems, upgrade field equipment, renovate or replace fields, and other related amenities.

Construct new buildings and site improvements where necessary on currently closed school sites.

Modernize and expand existing or closed schools, including classrooms, school support facilities and site improvements, to relieve overcrowding and reduce class sizes.

Restore existing buildings including voluntary seismic strengthening with the intent to re-use the buildings as DSA-certified school buildings or related uses.

Construct, reconstruct, or upgrade permanent facilities for District Special Education Programs.

Construct and/or replace school administration buildings, and school multipurpose buildings, along with District-wide support facilities necessary for the operation of the District, including, but not limited to: Nutrition, Warehouse, Maintenance, Grounds, Transportation, and Technology.

Replace portable buildings with sustainable permanent construction.

Construct appropriate storage facilities.

Install or replace shade structures, play structures, fall protection systems, and field improvements.

Acquire land for future elementary schools (four sites), middle schools (one site), a District Resource Center; and District support and office facilities.

Bond Program Management Costs

Project expenditures may also include:

Program Costs: Staffing and other general and administrative costs to manage and execute the Bond Program.

Escalation Reserve: Reserve for unanticipated price inflation costs.

Program Reserve: Reserve for unanticipated scope costs or for unanticipated opportunities to enhance project scope or schedules.

For any of the Bond Projects described above with respect to construction at an existing District site, the District is authorized to identify an alternate site and/or acquire land for such purpose and construct the approved project at such site if the District has determined that the existing site does not satisfy the requirements of the Division of State Architect or other State laws, codes, and regulations applicable to public school sites.

The allocation of Bond proceeds may also be affected by the final costs of each project.

Necessary site preparation/grading/restoration may occur in connection with new construction, reconstruction, rehabilitation or replacement, furnishing and equipping, including ingress and egress, removing, replacing or installing irrigation, utility lines, trees and landscaping, relocating fire access roads, and acquiring any necessary easements, leases, licenses, or rights of way to the property.

Additional Specifications

Listed projects may be completed at any and all school sites where such project is determined necessary. Where economically feasible, buildings, fixtures, and equipment may be replaced rather than modernized, renovated, or repaired. Each project is assumed to include its share of costs of the election and bond issuance, architectural, engineering, and similar planning costs, construction management, bond project staff, staff training expenses associated with new bond-funded equipment and systems, and a customary contingency for unforeseen design and construction costs. In addition to the projects listed above, the Bond Project List also includes the acquisition of land, instructional, maintenance and operational furniture and equipment, payment of the costs of preparation of all facilities planning and project implementation studies, feasibility and assessment reviews, master planning, environmental studies, and temporary housing for dislocated programs or activities caused or necessitated by construction projects. Listed projects, repairs, improvements, rehabilitation projects, and upgrades will be completed only as feasible, and the Bond Project List does not imply a particular prioritization among such improvements, which remains the province of the Board by subsequent action

Single Purpose. All of the purposes enumerated in this proposition shall be united and voted upon as one single proposition, pursuant to Section 15100 of the Education Code, and all the enumerated purposes shall constitute the specific single purpose of the Bonds and proceeds of the Bonds shall be spent only for such purpose.

Other Terms of the Bonds. When sold, the Bonds shall bear interest at an annual rate not exceeding the statutory maximum. The Bonds may be issued and sold in several series, and in accordance with a plan of finance determined by the Board pursuant to requirements of law.

Project Requiring State Matching Funds. Approval of Measure __ does not guarantee that the proposed District projects that are the subject of bonds under Measure __ will be funded beyond the local revenues generated by Measure __. Some of the District's projects may assume the receipt of state matching funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

EXHIBIT B

BALLOT MEASURE ABBREVIATED FORM*

To construct classrooms, labs, and school libraries to support student achievement, college readiness, and career training in math, science, engineering, technology, and arts; acquire, renovate, construct and equip facilities to improve older schools; to fix deteriorating roofs, plumbing and electrical systems, shall Santa Clara Unified School District issue \$875,000,000 in bonds, repaying an annual average of \$46,803,661.23 for 39 years at 5 cents per \$100 of assessed value, with independent citizen oversight, and all money staying local?

Bonds—Yes

Bonds—No

**As required pursuant to Education Code Section 5322 and Elections Code Section 13247.*

(73 words)

EXHIBIT C

TAX RATE STATEMENT SANTA CLARA UNIFIED SCHOOL DISTRICT

An election will be held in the Santa Clara Unified School District (the "District") on June 5, 2018, to authorize the sale of up to \$875,000,000 in bonds (the "Bonds") of the District to continue improving the quality of education in local elementary, middle, and high schools of the District. Specifically, Bond proceeds shall be utilized for the purposes of acquisition, construction, renovation, furnishing, and equipping of school facilities, support facilities, and equipment.

If the Bonds are authorized and sold, debt service thereon will be payable from the proceeds of 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. It is anticipated that the District will sell the Bonds in five separate series.

1. The best estimate of the average tax rate that would be required to be levied to fund this Bond issue during the life of the Bonds, based on estimated assessed valuations available at the time of filing of this statement, is 5.38¢ per \$100 (\$53.76 per \$100,000) of assessed valuation. The final fiscal year in which the tax is anticipated to be collected is 2056-2057.

2. The best estimate of the highest tax rate that would be required to be levied to fund the Bond issue, based on estimated assessed valuations available at the time of filing of this statement, is 5.38¢ per \$100 (\$53.80 per \$100,000) of assessed valuation which would first occur in fiscal year 2019-2020.

3. The best estimate of total debt service, including principal and interest, that would be required to be repaid if all the Bonds are issued and sold is \$1,825,342,788. This estimate results in a debt service to principal ratio of 2.09:1, which is significantly less than the maximum ratio of 4.00:1 allowed by State law. This estimate is based on the assumption that interest rates will increase over time, and the Bonds will have a maximum term of 30 years per series.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the Bonds.

The dates of sale and the amount of Bonds sold at any given time will be determined by the District based on the need for construction funds and other factors, including the legal limitations on bonds approved by a 55% vote. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale. Actual future assessed valuation 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.

Dated: _____, 2018

Stanley Rose III, Ed.D.,
Superintendent
Santa Clara Unified School District

CERTIFICATION

I, Stanley Rose III, Secretary of the Board of Trustees of the Santa Clara Unified School District, Santa Clara County, California, do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly approved and adopted by the Board of Trustees of the District at a meeting held on February 27, 2018, of which meeting all the members of the Board of Trustees had due notice and at which a majority thereof were present, and that at the meeting the resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

An agenda for the meeting was provided in advance of the meeting, as required by law, to all members of the Board of Trustees and to all media outlets that have requested notification. Further the agenda was posted in advance of the meeting, as required by law, at the District at 1889 Lawrence Road, Santa Clara, California 95051, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda.

I have carefully compared the foregoing resolution with the original minutes of the meeting on file and of record in my office, and the foregoing is a full, true, and correct copy of the original resolution adopted at the meeting and entered in the minutes.

Dated: February 27, 2018

Stanley Rose III, Ed.D.,
Secretary of the Board of Trustees
Santa Clara Unified School District

An example of what the ballot question might look like based on our current understanding of the “fix it” legislation, to possibly replace the ballot statement as set forth in Exhibit A and Exhibit B to the Resolution is as follows:

To construct classrooms, labs, and school libraries to support student achievement, college readiness, and career training in math, science, engineering, technology, and arts; acquire, renovate, construct and equip facilities to improve older schools; to fix deteriorating roofs, plumbing and electrical systems, shall Santa Clara Unified School District issue \$875,000,000 in bonds, with independent citizen oversight, and all money staying local?