JANUARY 21, 2023

Thinking forward for schools and communities.



DS&C

ALUM ROCK UNION SCHOOL DISTRICT

BOND FINANCING BOARD WORKSHOP

548 Market Street, Suite 44410 | San Francisco, CA 94104 | 415.956.1030 | www.dalescott.com

ALUM ROCK UNION SCHOOL DISTRICT

DEBT REVIEW

GO Bond Elections

ALUM ROCK UNION SD HAS OVER $171 MILLION IN UNISSUED BONDS

GO Bond Election Details						
Election Date	Amount	Measure	Type	%Yes	Pass/Fail	Unissued Bonds
March 5, 1991	$47,000,000		Two-Thirds	85.40%	Pass	$0
June 3, 2008	$179,000,000	G	Prop 39	79.09%	Pass	$0
November 6, 2012	$125,000,000	J	Prop 39	79.53%	Pass	$0
June 7, 2016	$140,000,000	I	Prop 39	78.75%	Pass	$100,000,000
November 8, 2022	$71,500,000	S	Prop 39	71.28%	Pass	$71,500,000

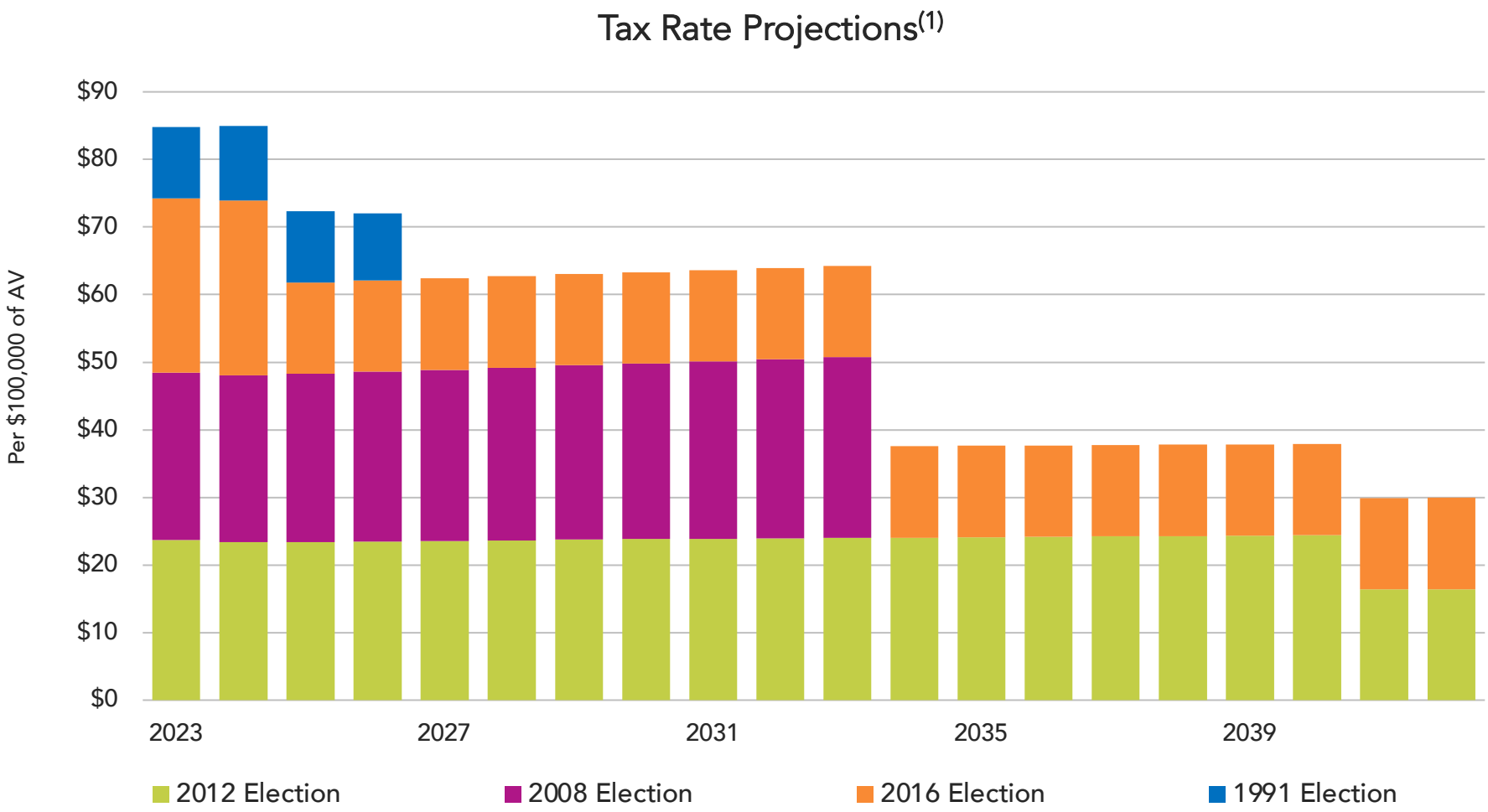
Outstanding GO Bonds

DISTRICT HAS SEVERAL REFUNDING OPPORTUNITIES OVER THE NEXT TEN YEARS

Alum Rock Union SD Outstanding Bonds					
Series	Issuance Date	Original Principal	Outstanding Principal	Final Maturity	Optional Call Date
2010 Refunding, Series A	3/31/2010	$13,600,000	$1,120,000	9/1/2026	non-callable
2012 Election, Series A	7/31/2013	$32,400,000	$32,400,000	8/1/2043	8/1/2023
2012 Election, Series B	8/29/2013	$3,600,000	$140,000	8/1/2023	non-callable
2015 Refunding	9/9/2015	$37,395,000	$32,385,000	8/1/2033	8/1/2025
2012 Election, Series C	1/28/2016	$17,500,000	$16,770,000	8/1/2040	8/1/2025
2016 Refunding, Series A	11/22/2016	$1,855,000	$1,300,000	8/1/2026	non-callable
2016 Refunding, Series B	11/22/2016	$7,085,000	$2,645,000	8/1/2026	non-callable
2016 Election, Series A	7/19/2022	$40,000,000	$40,000,000	8/1/2047	8/1/2032
Total		$153,435,000	$126,760,000		

Tax Rate Projections

TAX RATE PROJECTIONS FOR CURRENTLY OUTSTANDING BONDS



(1) Assumes 5.00% annual AV growth through 2025; 3.75% thereafter

Single-Family Home Assessed Value

PER PARCEL 2021-22 AV OF SINGLE-FAMILY HOMES

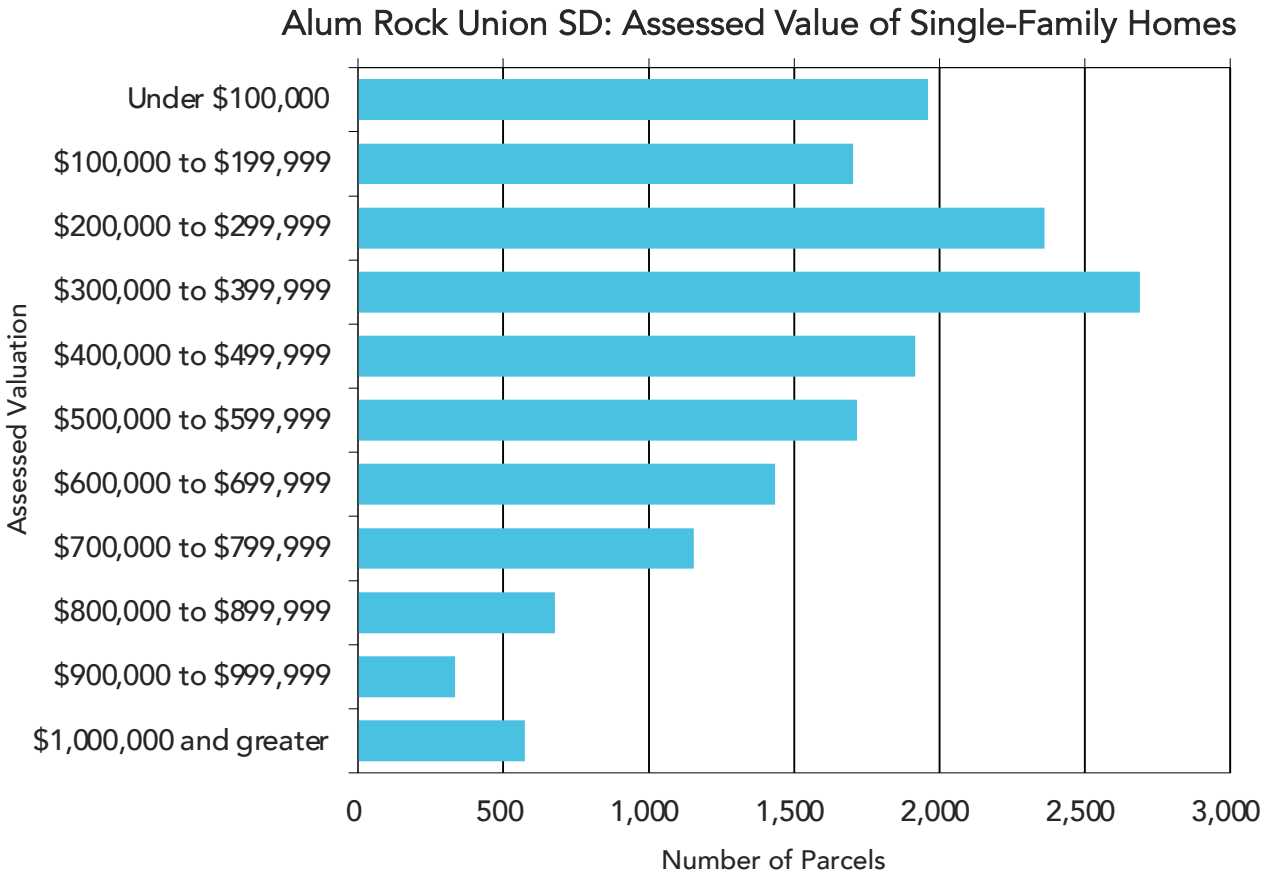
Alum Rock Union SD 2021-22 Single Family Homes[1]

No. of Parcels
16,524

Average Assessed Valuation
$432,395

Median Assessed Valuation
$381,105

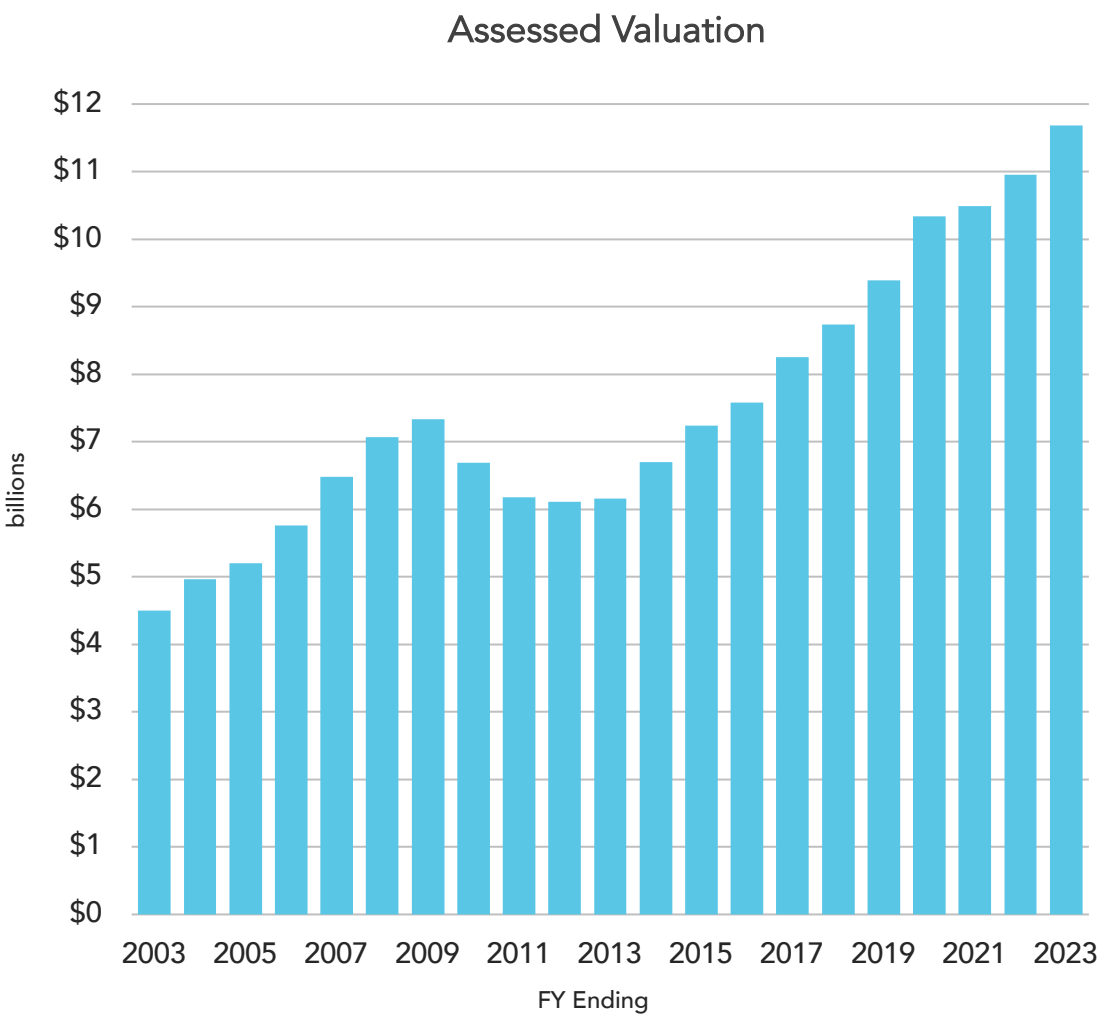
December 2022 Median Value[2]
$955,756



[1] Source: California Municipal Statistics
[2] Source: Zillow

Assessed Valuation

DISTRICT ASSESSED VALUATION HAS GROWN BY 13% OVER THE PAST 3 YEARS



Assessed Valuation: 2003 to 2023		
FY Ending	(billions)	% change
2003	$4.5	-
2004	$5.0	10.3%
2005	$5.2	4.7%
2006	$5.8	10.8%
2007	$6.5	12.6%
2008	$7.1	9.0%
2009	$7.3	3.8%
2010	$6.7	-8.7%
2011	$6.2	-7.7%
2012	$6.1	-1.1%
2013	$6.2	0.8%
2014	$6.7	8.8%
2015	$7.2	8.0%
2016	$7.6	4.7%
2017	$8.2	8.8%
2018	$8.7	6.0%
2019	$9.4	7.5%
2020	$10.3	10.0%
2021	$10.5	1.5%
2022	$11.0	4.5%
2023	$11.7	6.7%
5 Year Average		6.0%
10 Year Average		6.6%
20 Year Average		4.9%

Source: California Municipal Statistics

ALUM ROCK UNION SCHOOL DISTRICT

GO REFUNDING BONDS

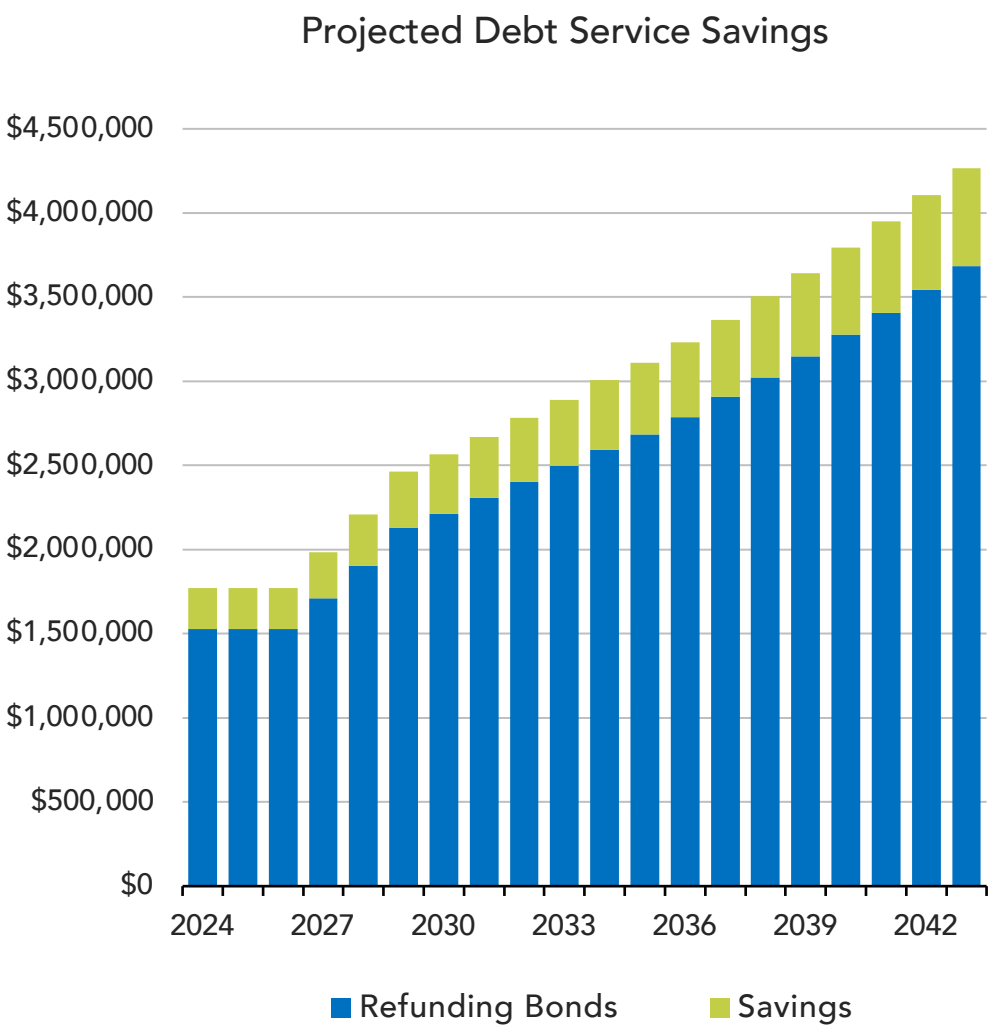
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Total		$153,435,000	$126,760,000		

Alt 1: Refinancing of 2012 Series A (Proportional Savings)

REFINANCING PROJECTED TO GENERATE ABOUT $8M IN SAVINGS

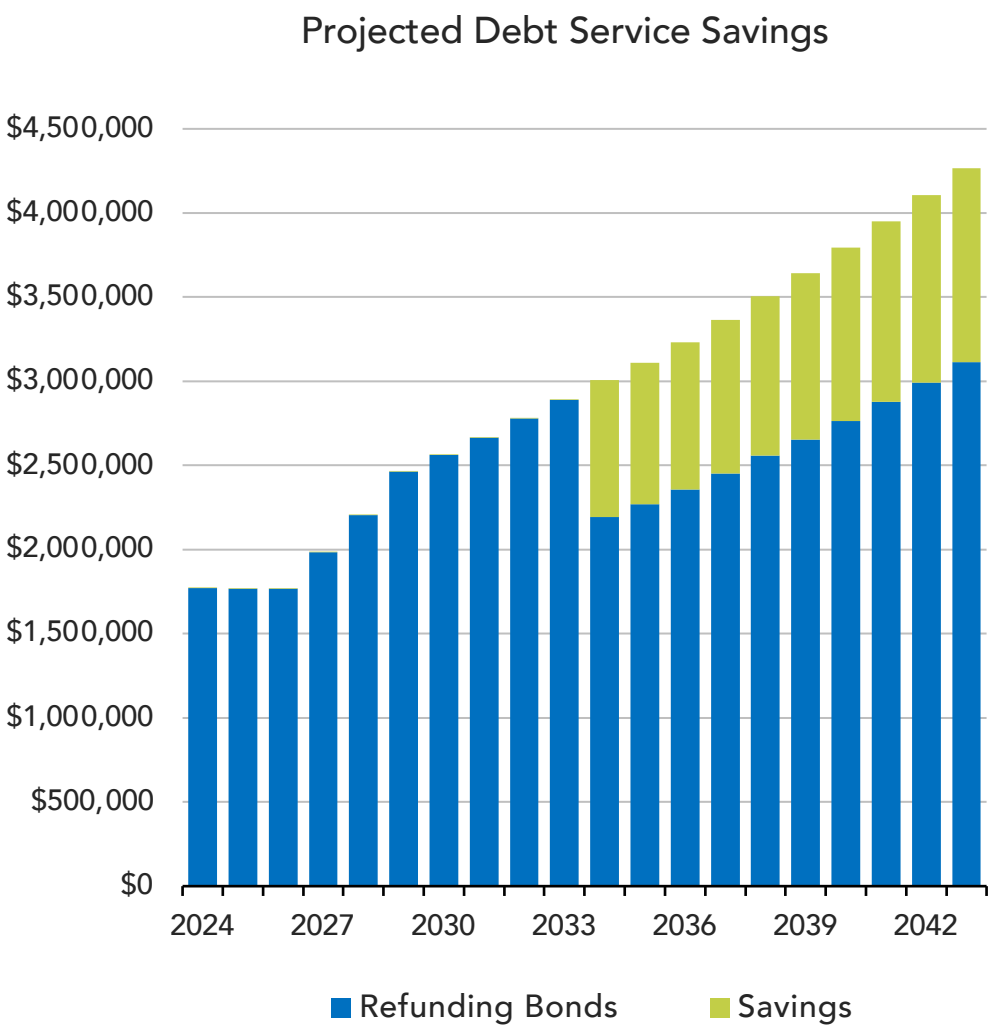


Refinancing Summary	
Refunded Principal	$32,400,000
Prior Bonds Call Date	August 1, 2023
Avg. Interest Rate of Refunded Bonds	5.48%
Avg. Interest Rate of New Refunding Bonds	3.86%
Estimated Financing Costs[1]	$426,700
Net Debt Service Savings (after all costs) [2]	$8,057,889
Present Value Savings as % of Principal Refunded	16.21%

[1] Costs include legal, advisory, trustee, ratings, underwriter discount
[2] Savings based on market interest rates as of January 18, 2023

Alt. 2: Refinancing of 2012 Series A (Back-Loaded Savings)

REFINANCING PROJECTED TO GENERATE OVER $9.7 MILLION IN SAVINGS

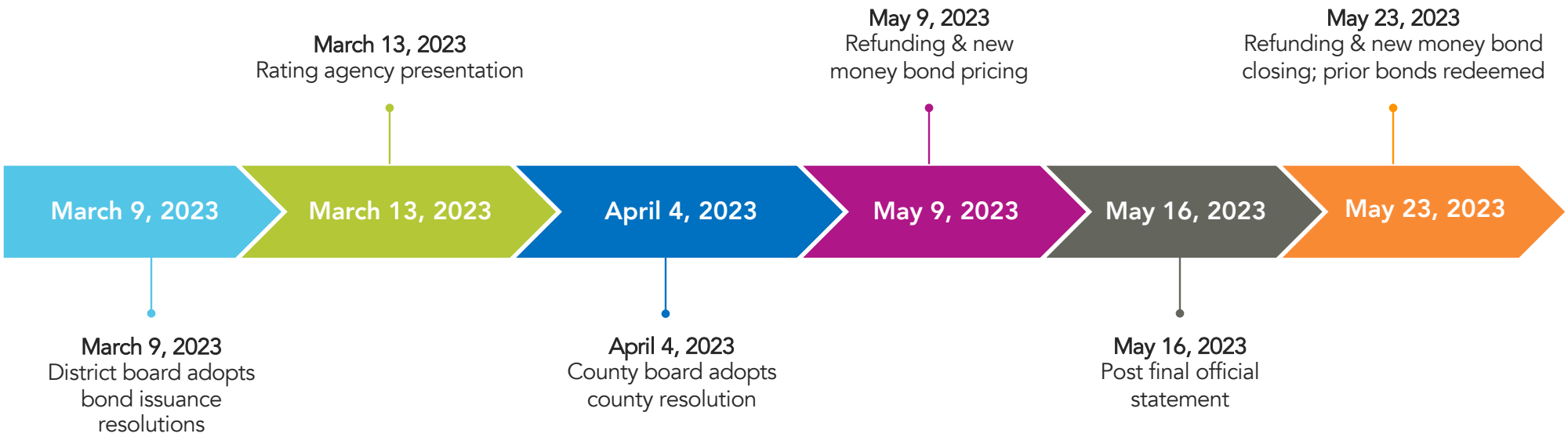


Refinancing Summary	
Refunded Principal	$32,400,000
Prior Bonds Call Date	August 1, 2023
Avg. Interest Rate of Refunded Bonds	5.48%
Avg. Interest Rate of New Refunding Bonds	3.81%
Estimated Financing Costs[1]	$425,000
Net Debt Service Savings (after all costs)[2]	$9,777,466
Present Value Savings as % of Principal Refunded	16.95%

[1] Costs include legal, advisory, trustee, ratings, underwriter discount
[2] Savings based on market interest rates as of January 18, 2023

GO Bonds (Refunding & New Money) Timeline

PROJECTED TIMELINE FOR UPCOMING GO BONDS

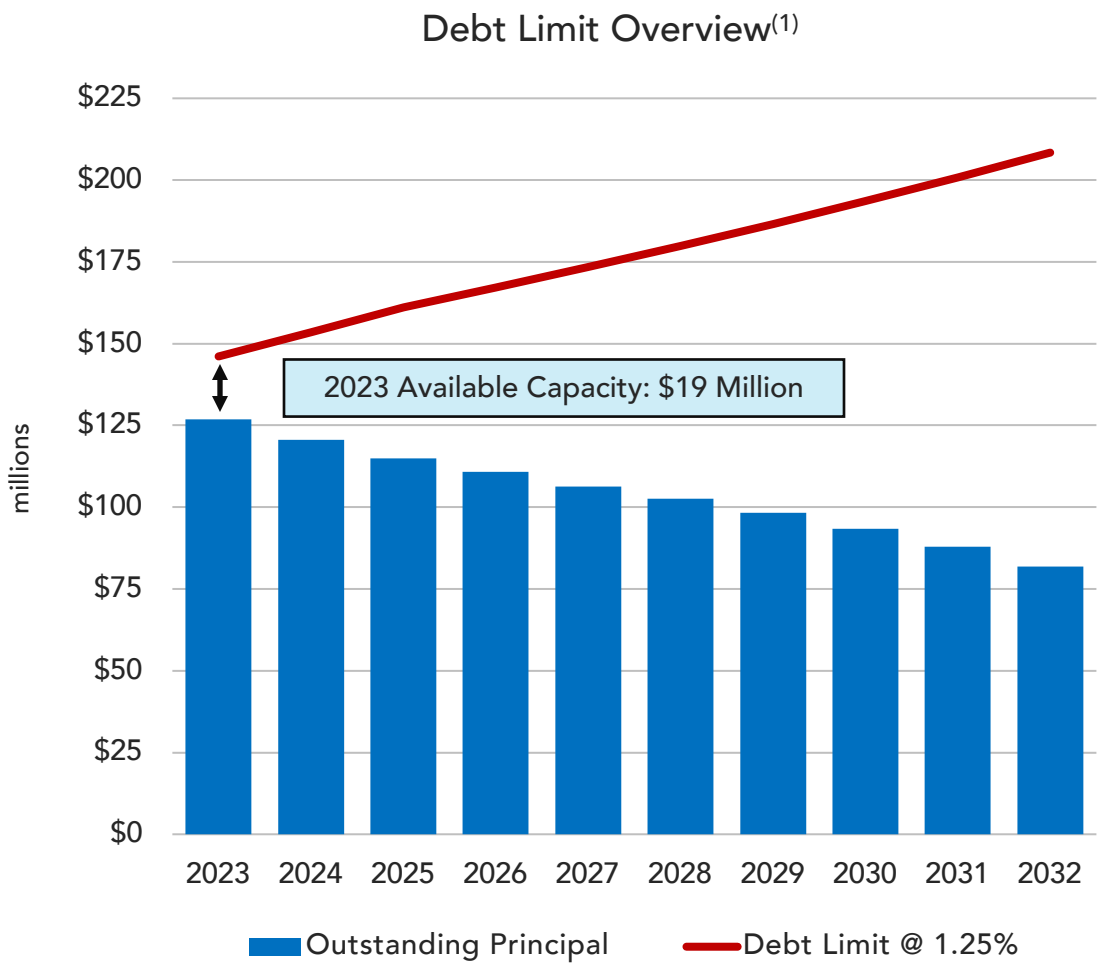


ALUM ROCK UNION SCHOOL DISTRICT

DEBT LIMIT WAIVER

Debt Limit Review

BONDING CAPACITY INCREASES AS ASSESSED VALUE GROWS AND BONDS REPAID

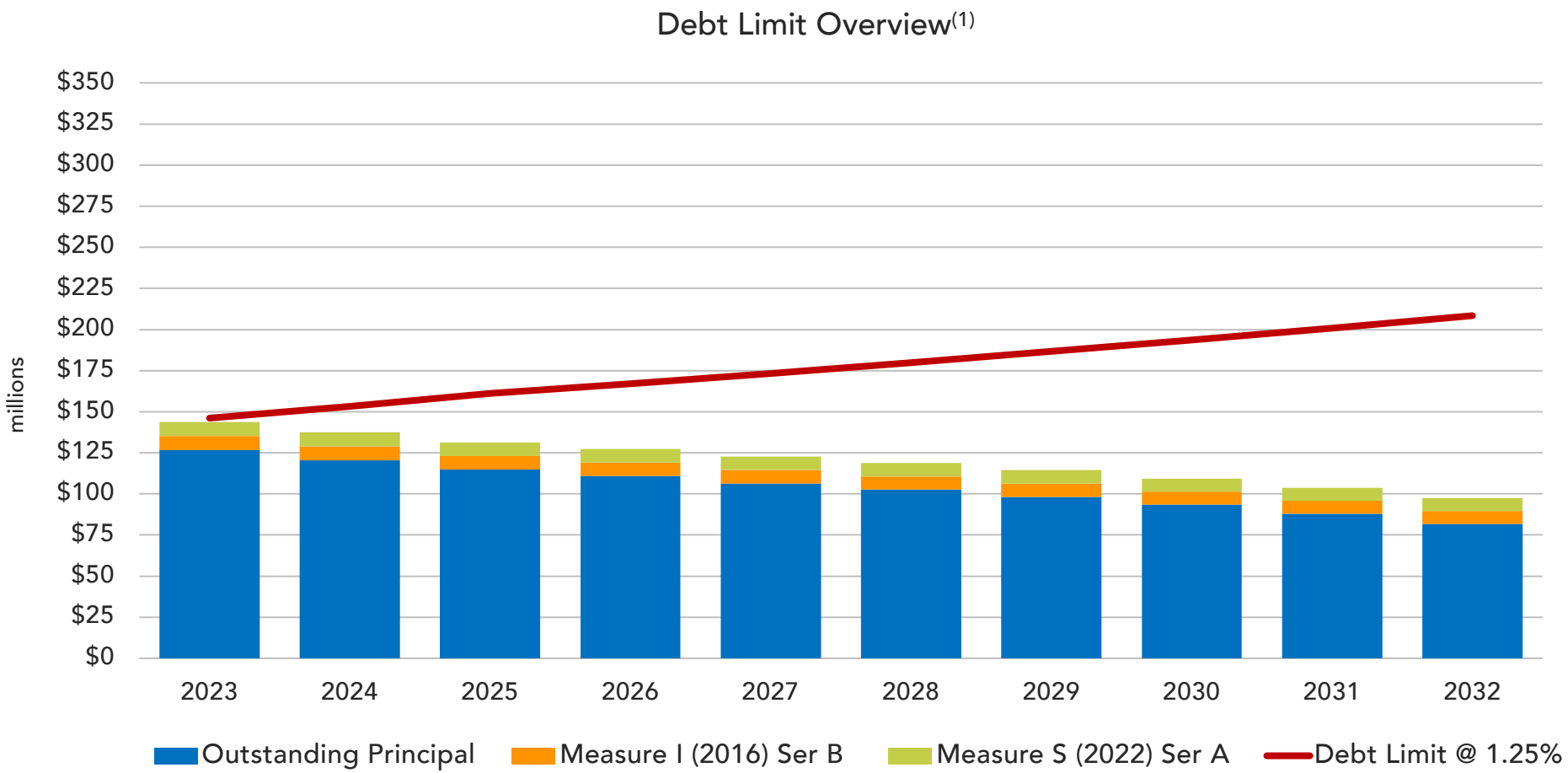


- ✓ Ed code limits principal amount of GO bonds issued to 1.25% of assessed value for elementary school districts
- ✓ Does not limit dollar amount of bond authorization districts can place before voters
- ✓ Districts regularly request and are granted waivers to issue bonds in excess of the limit

(1) Assumes 5.00% annual AV growth through 2025; 3.75% thereafter

Upcoming Issuance of 2016 Series B & 2020 Series A

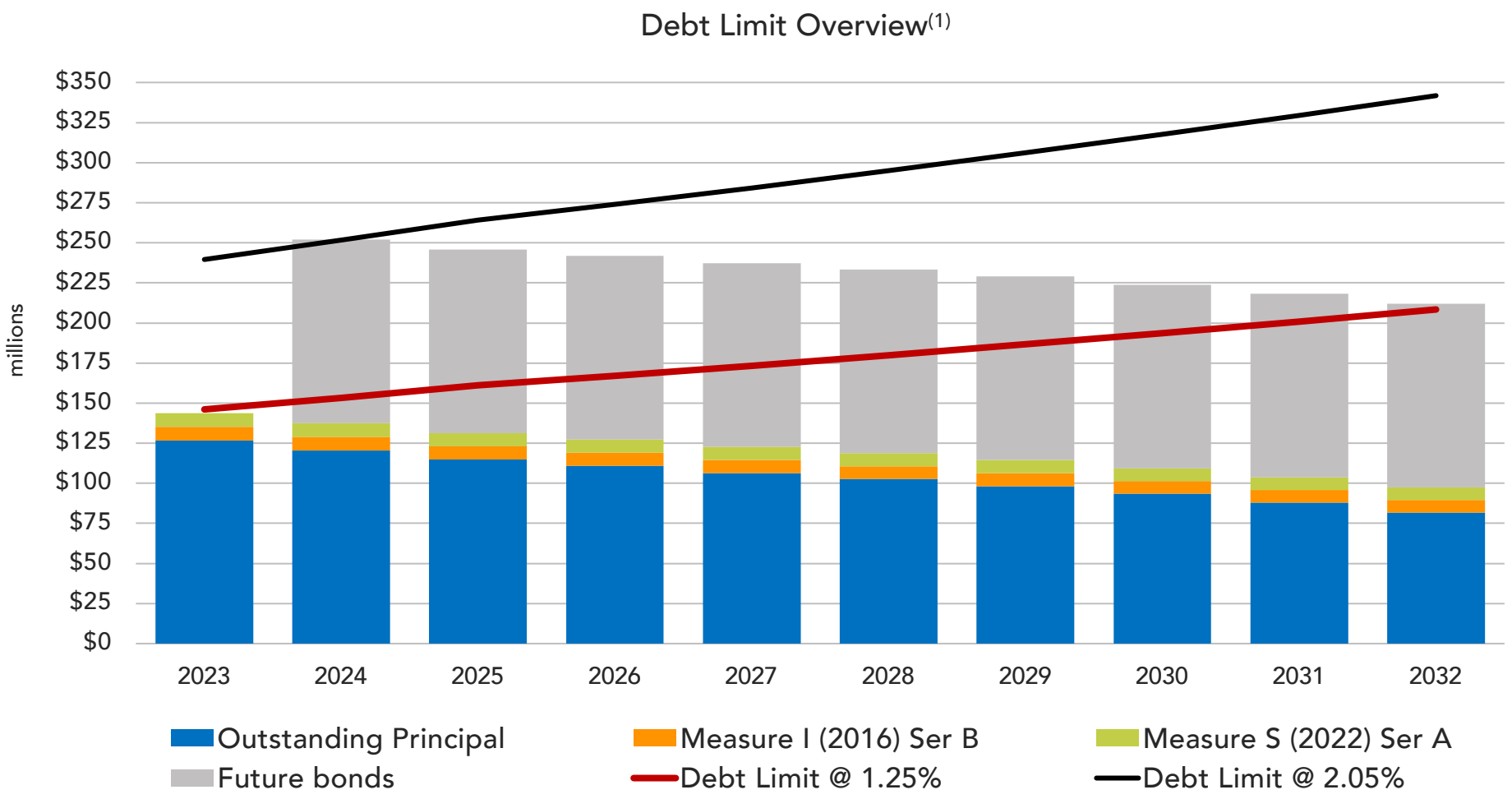
DISTRICT CAN CURRENLTY ISSUE $19 MILLION IN TOTAL BONDS FROM MEASURES I & S



(1) Assumes 5.00% annual AV growth through 2025; 3.75% thereafter

Future Bonds

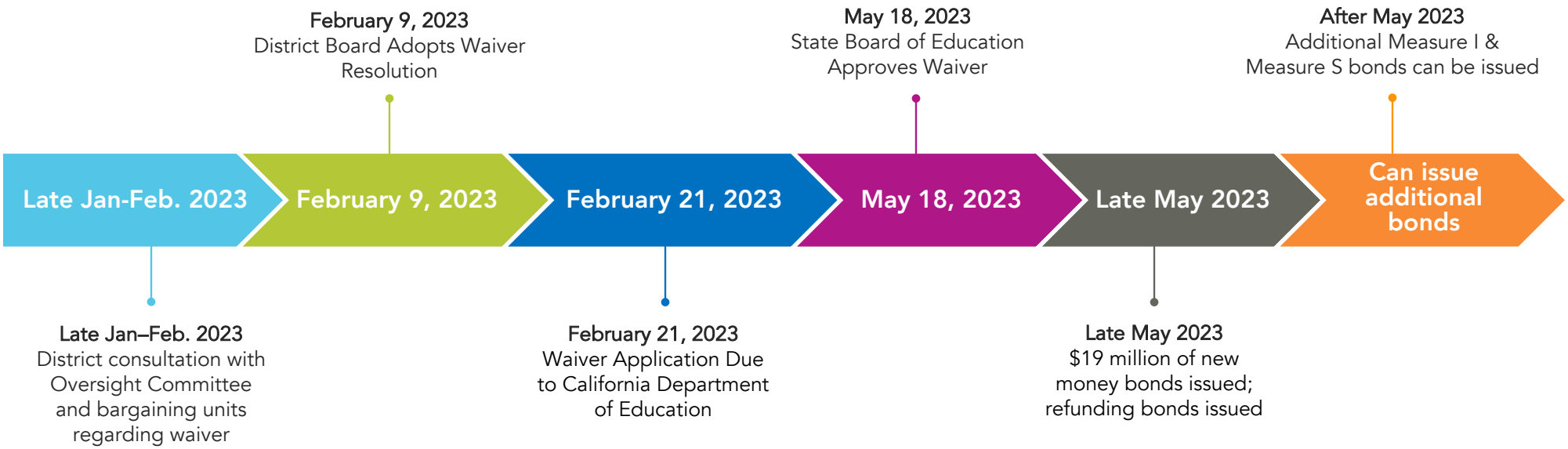
DEBT LIMIT WAIVER ALLOWS DISTRICT TO ISSUE ADDITIONAL BONDS



(1) Assumes 5.00% annual AV growth through 2025; 3.75% thereafter

Bond and Waiver Timeline

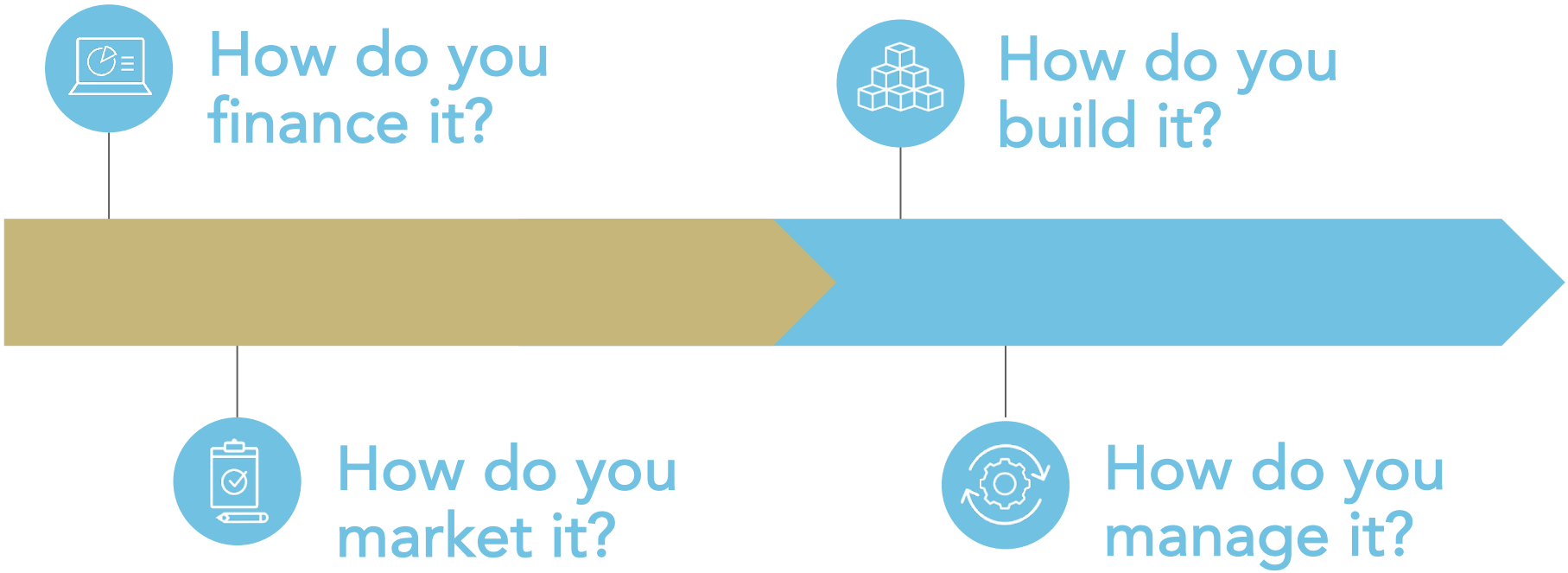
PROJECTED TIMELINE FOR BONDS & DEBT LIMIT WAIVER

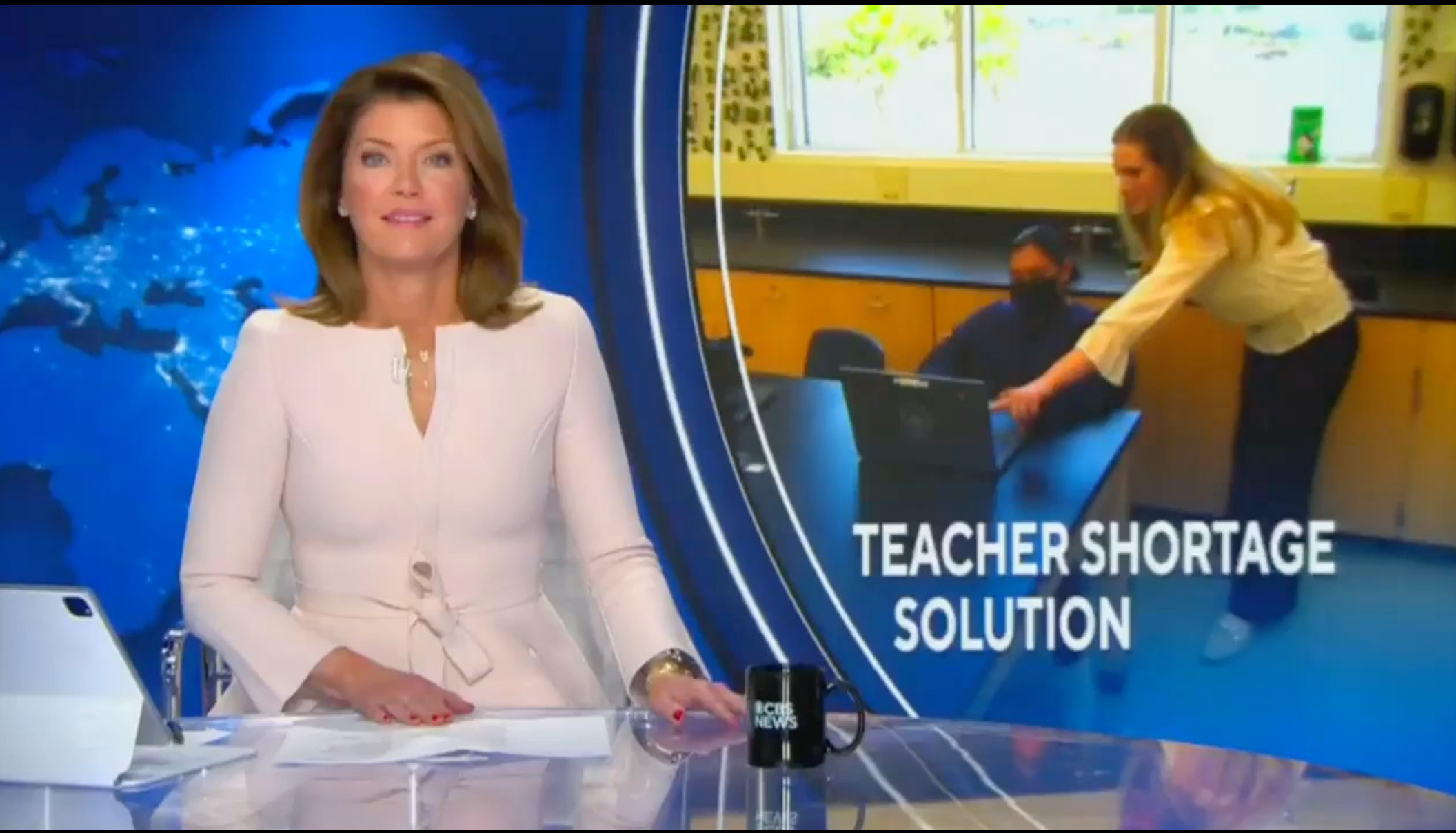


ALUM ROCK UNION SCHOOL DISTRICT

TEACHER-STAFF HOUSING

Teacher-Staff Housing: Critical Path




TEACHER SHORTAGE
SOLUTION
CBS NEWS

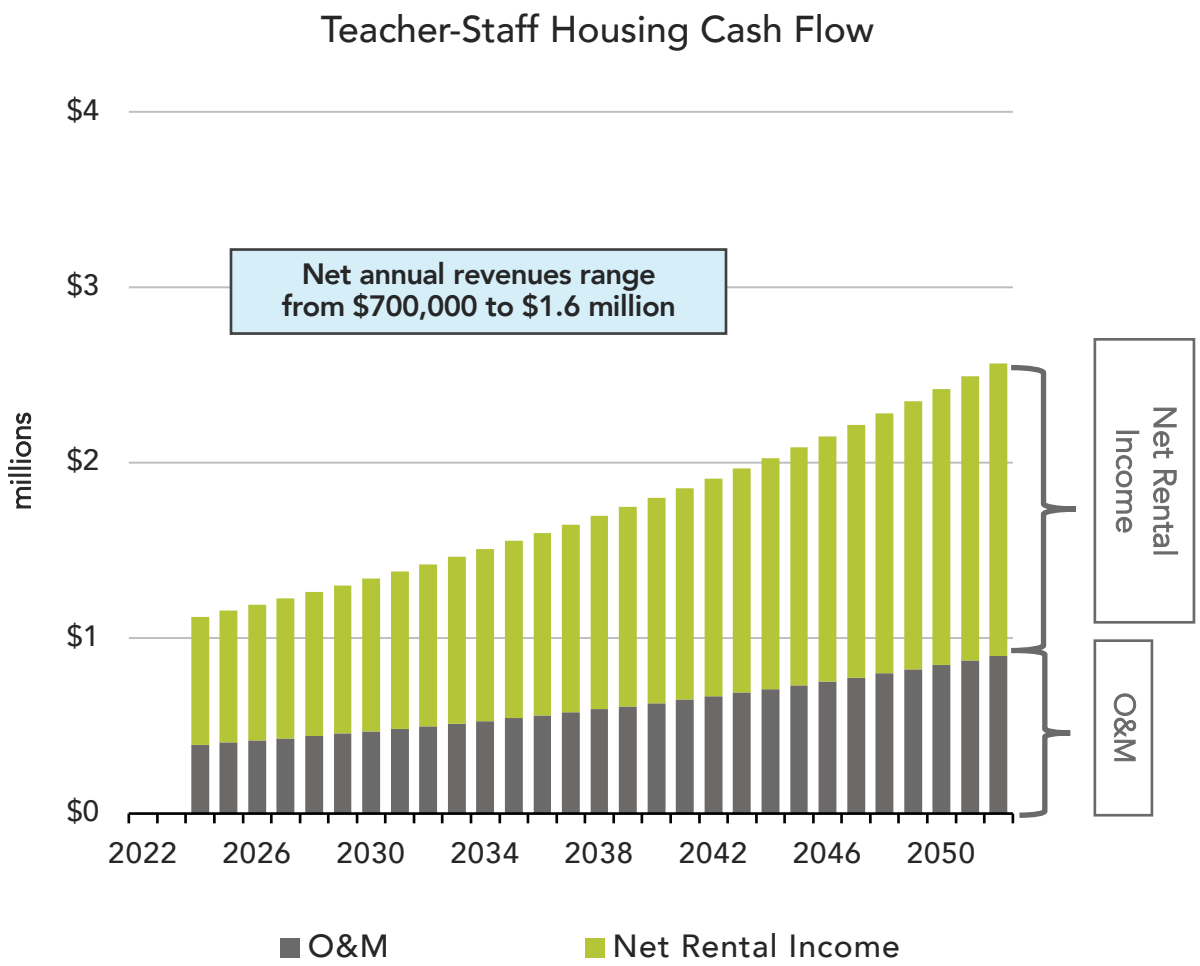


How do you finance it?

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Financing Teacher-Staff Housing: Alum Rock Union SD

GO BOND FINANCING PROVIDES FLEXIBILITY AND INCOME



Housing		
Unit Type	# of Units	Market Rents[1]
1 Bedroom	25	$2,499
2 Bedroom	25	$2,925
3 Bedroom	0	$3,595
Total	50	
% of Market Rent		65.00%
Annual Rent Increase		3.00%
Annual O&M Increase		3.00%
O&M as % of Rent		35.00%
Average Cost per unit		$550,000
GO Bond Par Amount		$27,500,000

Teacher-staff Housing GO: 30 Year Cashflow	
Number of units	50
Total gross rent	$50,739,742
GO debt repayment	$0
O&M/management	($17,759,742)
Surplus/loss	$32,980,000

Source: zumper.com



How do you market it?

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Develop a Plan

ONE CONSISTENT VOICE FOR ALL MESSAGING AND OUTREACH

Clear Messaging	Staff Buy-In	Board Unity	Community Outreach
- Clear messaging plan used by all	- Site Meetings - Visuals to show quality - Bring unions into decision making process	- Check egos at the door - Appoint clear spokespeople - Stick to talking points	- Training with presentations - Get ready to present everywhere

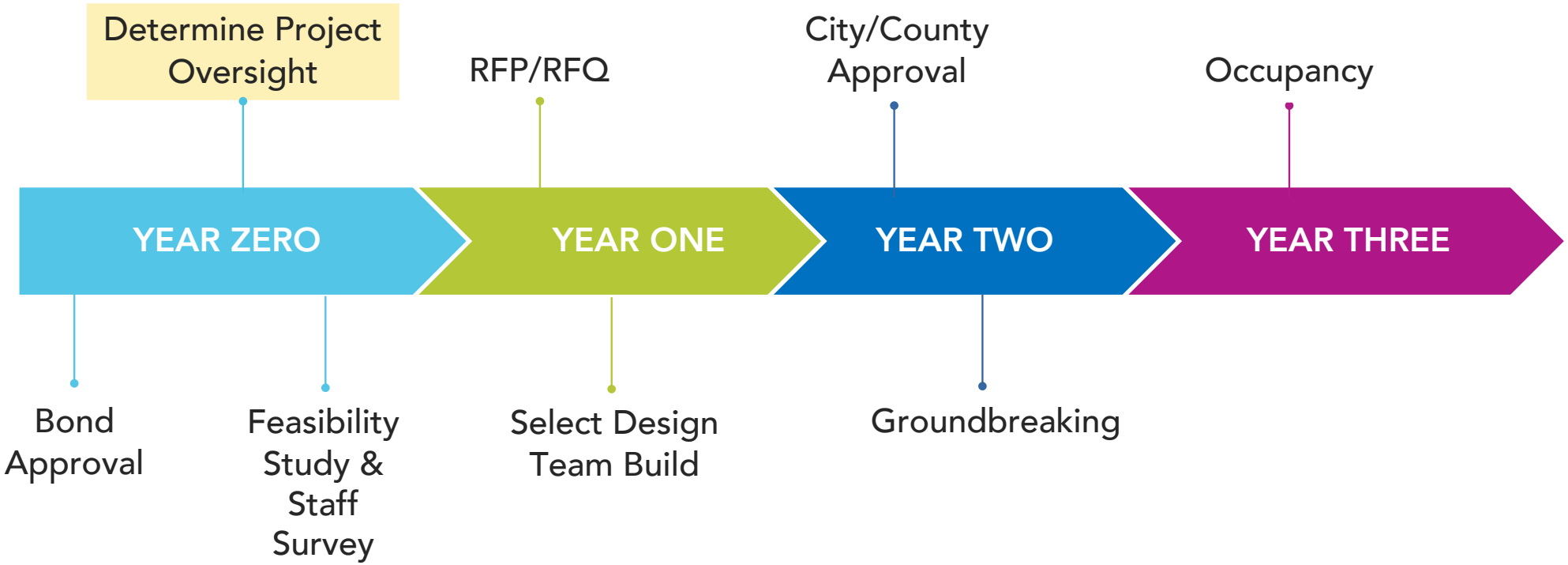


How do you
build it?

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Key Milestones

OVERVIEW OF TIMELINE FOR TEACHER-STAFF HOUSING

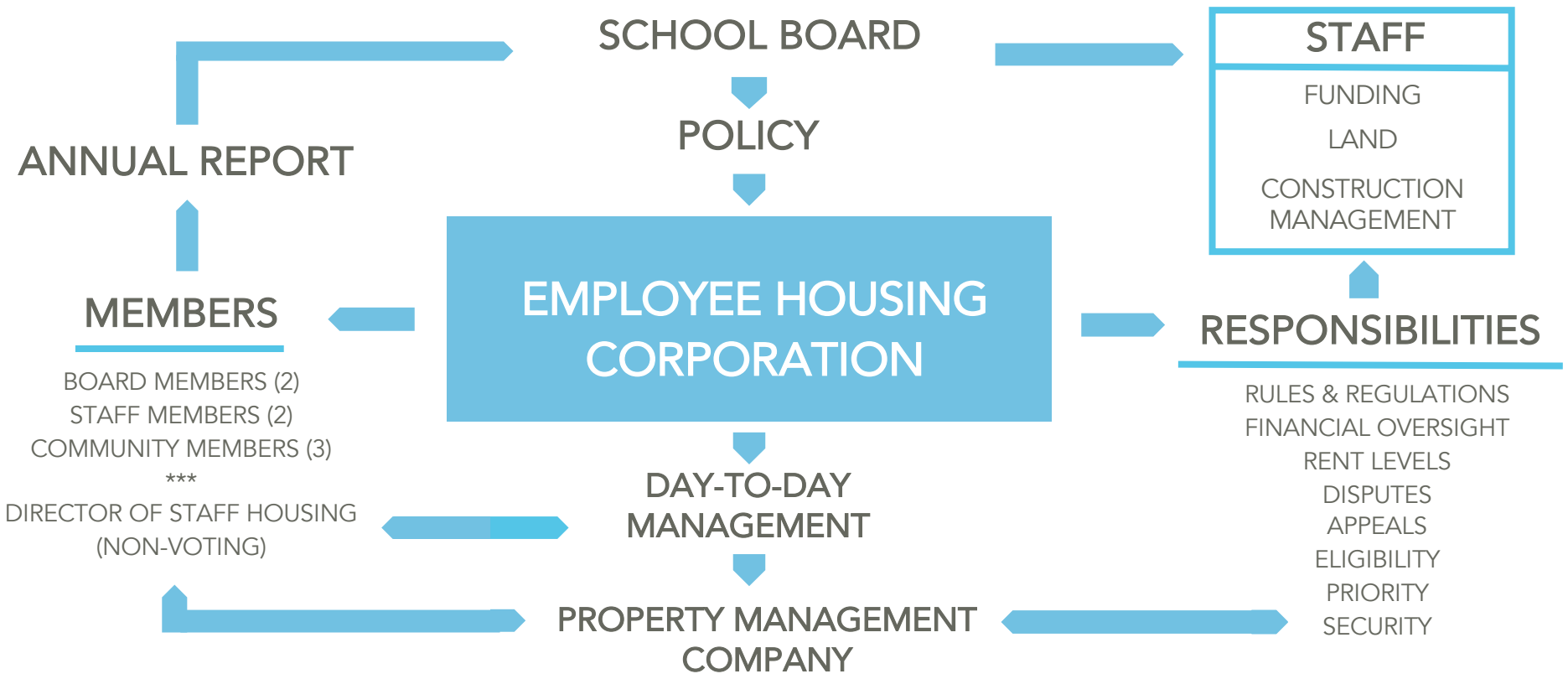




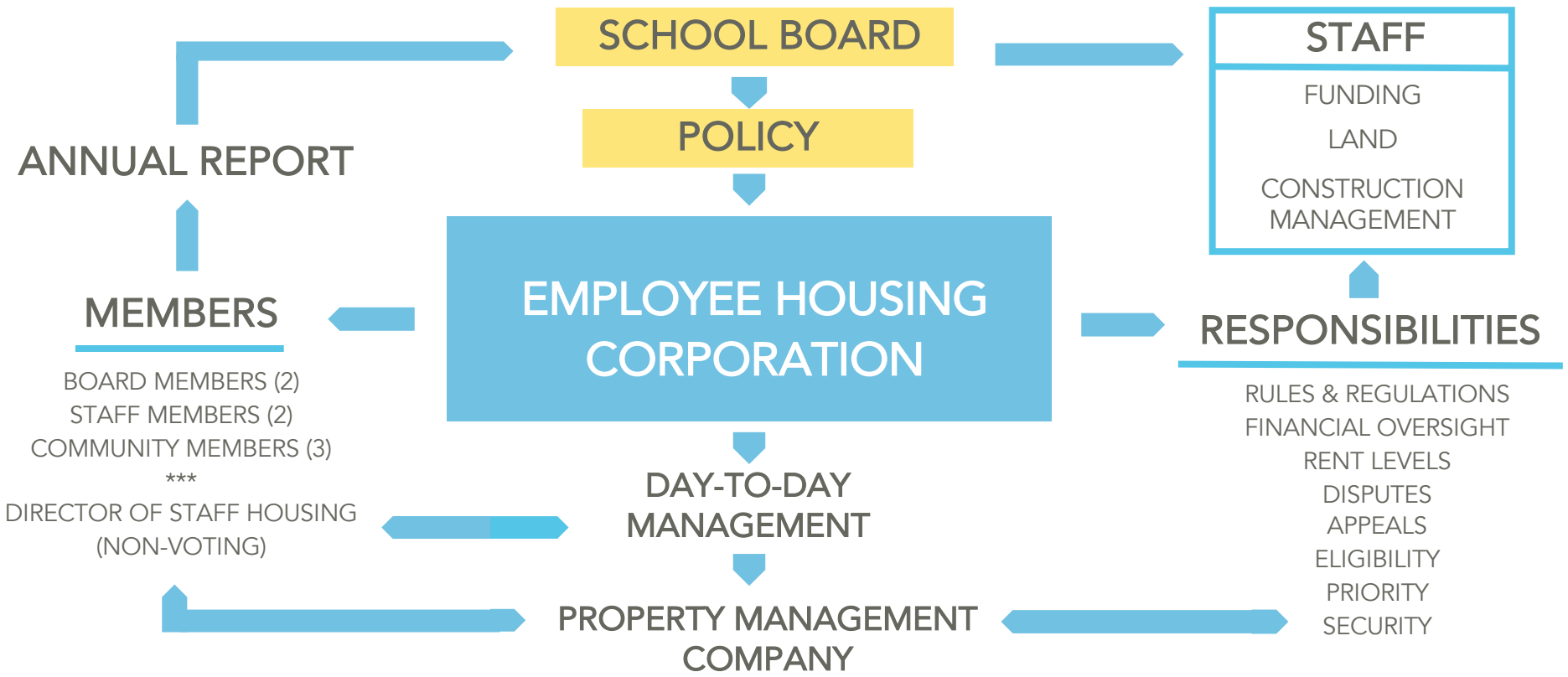
How do you manage it?

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Process Overview



Process Overview



Process Overview

