



South San Francisco Unified School District

District Financial Analysis

by

Isom Advisors,
a Division of Urban Futures, Inc.

April 2022



District's Current Bond Program

District Bond & Assessed Value History



District's tax base has more than doubled since 2006

South San Francisco USD

SSFUSD Historical Assessed Value		
Fiscal Year Ending	Total Value	% Change
2006	\$11,511,350,739	N/A
2007	12,622,770,658	9.65%
2008	13,787,630,184	9.23%
2009	16,369,087,299	18.72%
2010	15,311,131,760	-6.46%
2011	15,000,117,817	-2.03%
2012	15,184,957,969	1.23%
2013	15,365,519,350	1.19%
2014	15,726,422,339	2.35%
2015	16,397,682,567	4.27%
2016	17,053,125,802	4.00%
2017	17,990,024,388	5.49%
2018	18,866,885,252	4.87%
2019	20,926,216,480	10.92%
2020	22,522,715,424	7.63%
2021	24,604,780,845	9.24%
2022	25,844,006,834	5.04%
Average		5.33%

- ❖ In 1997, District voters approved a \$40 million bond measure at 74.6% voter support
- ❖ In 2010, District voters approved a \$162 million bond measure at 77.5% support
- ❖ Combined 2021-22 tax rate for the district is \$35.20 per \$100,000 of assessed valuation

Source: California Municipal Statistics

- ❖ District's gross bonding capacity is approximately \$646.1 million (2.50% x assessed value); District's outstanding G.O. bond debt is approximately \$164.2 million; District's net bonding capacity, or current debt limit, is approximately \$481.9 million



Outstanding Bonds

Approximately \$164.2 million in outstanding bonds

South San Francisco USD

- ❖ The District currently has approximately \$164.2 million in general obligation bonds outstanding.

Dated Date	Series	Original Par Amount	Outstanding (April 2022)
1/26/2006	School Facilities Financing Authority Revenue Bonds, Series 2006 [Final Maturity is 2023]	\$39,035,000.00	\$8,590,000.00
6/24/2015	2015 General Obligation Bonds (Measure J), Series B [Final Maturity is 2040]	\$25,999,999.90	\$1,088,290.10
6/21/2016	2016 General Obligation Bonds (Measure J), Series C [Final Maturity is 2041]	\$128,999,061.45	\$128,074,061.45
1/26/2022	2022 General Obligation Refunding Bonds [Final Maturity is 2040]	\$26,425,000.00	\$26,425,000.00

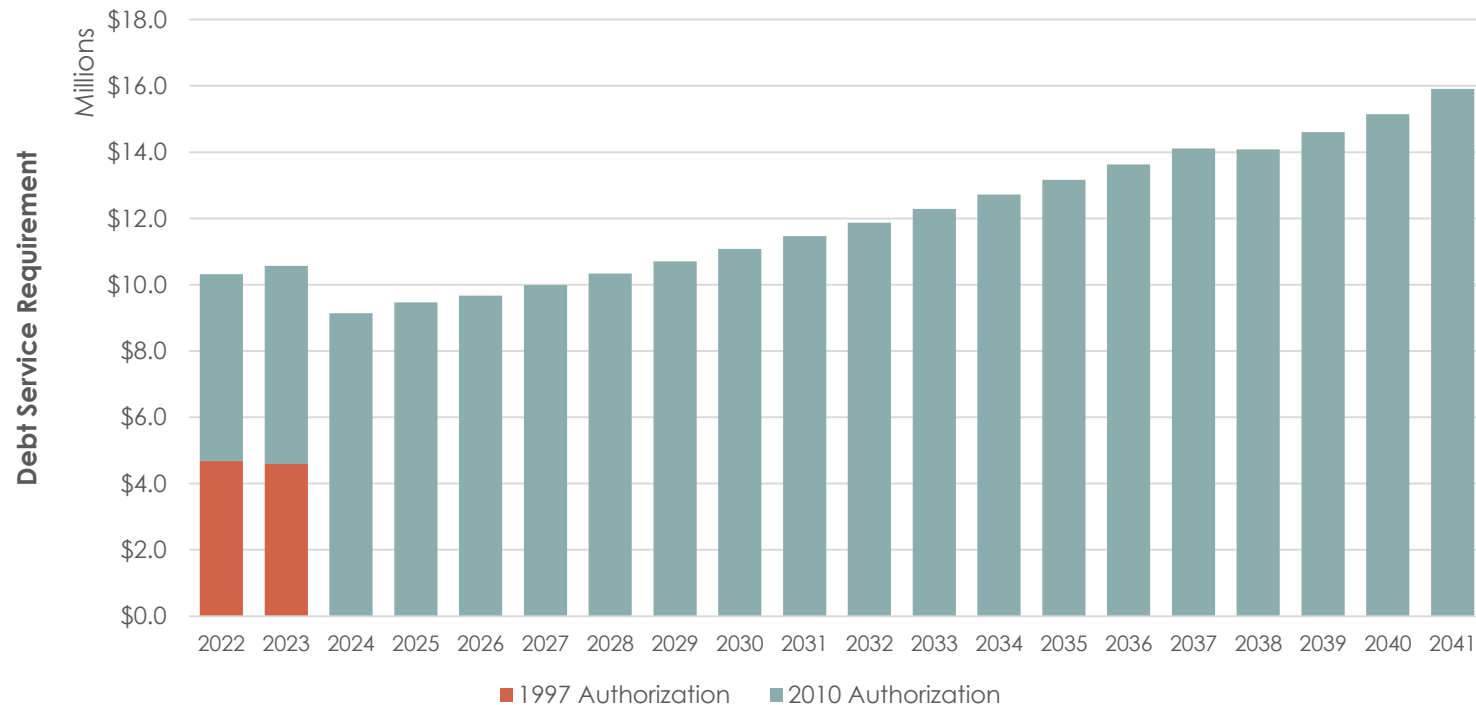
Current Debt Service Schedule



For bonds previously authorized and issued

South San Francisco USD

Current Debt Service Schedules for 1997 and 2010 Authorizations





New Bond Authorization Analysis

District can generate \$436 million with \$60 bond program

South San Francisco USD

South San Francisco USD Bond Proceeds at Varying Tax Rates ⁽¹⁾				
Tax Rate per \$100,000	Series A 2023	Series B 2025	Series C 2027	Total Bond Proceeds
\$36.00	\$90,000,000	\$85,000,000	\$86,000,000	\$261,000,000
\$48.00	\$120,000,000	\$114,000,000	\$115,000,000	\$349,000,000
\$60.00	\$150,000,000	\$143,000,000	\$143,000,000	\$436,000,000

(1) Assumes AV growth of 3.50% and 30 year bond terms; Preliminary – Subject to change
Source: Isom Advisors

- ❖ With projected annual assessed value growth of 3.50%, the District can generate up to \$436 million
- ❖ At more aggressive growth rates or a longer bond program, the District could generate up to \$535 million
- ❖ Depending on tax rate selected and assessed value assumptions, District can generate significant proceeds

San Mateo County Bond Elections

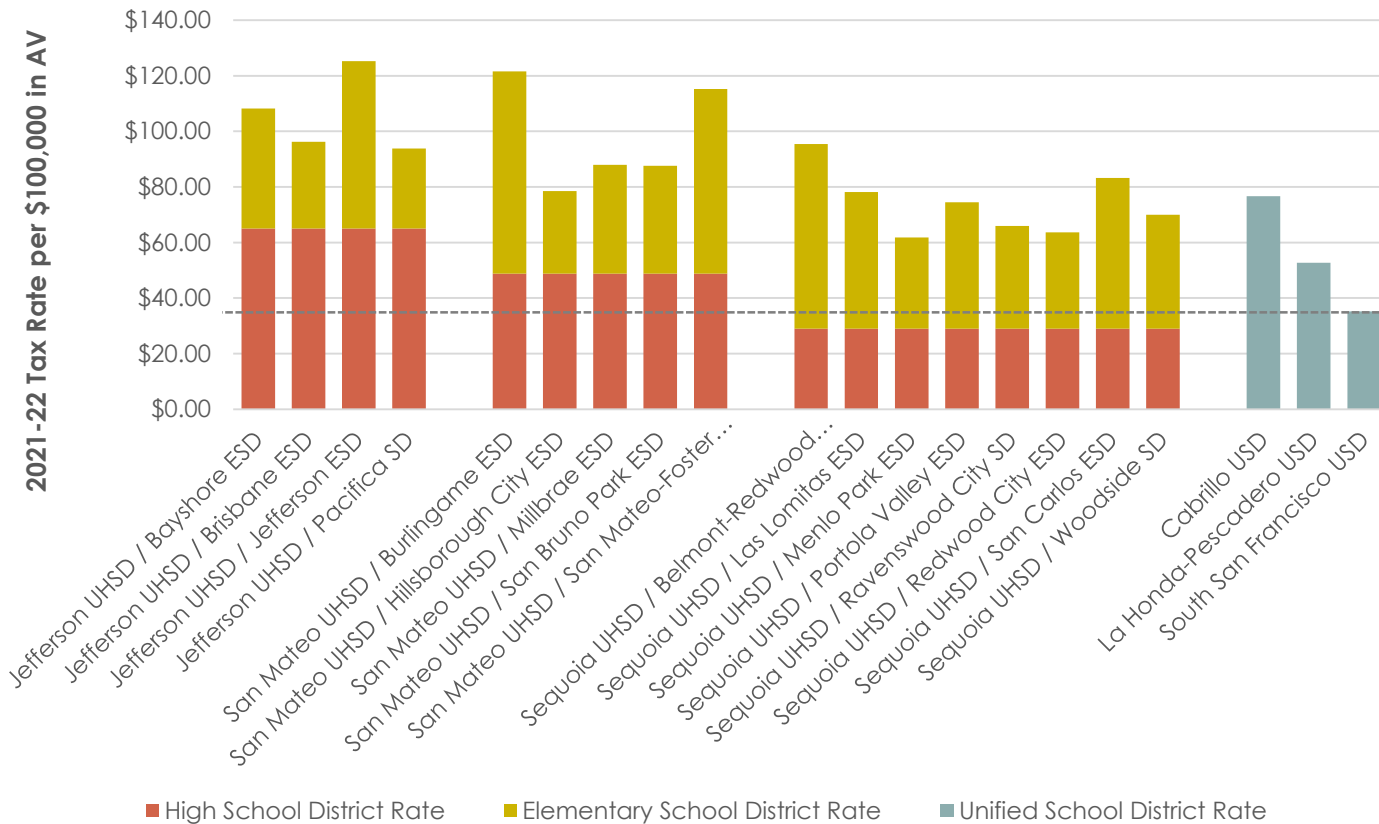


San Mateo County voters have been supportive of schools

South San Francisco USD

- San Mateo voters have been very supportive of general obligation bonds.

Comparison of San Mateo County School District Bond Tax Rates



Voter Demographics



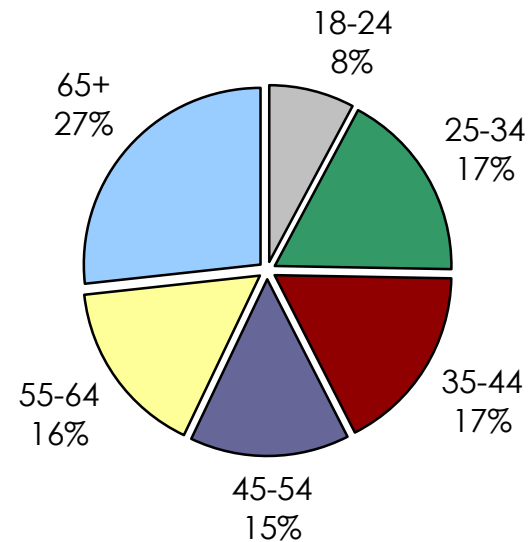
Voter Demographics

Voter demographics are favorable to bond programs

South San Francisco USD

- ❖ District has 45,994 total voters
- ❖ Majority of voters are Democrats (58.3%)
- ❖ 83% of voters vote-by-mail
- ❖ District has an older leaning voting population with 43% of voters over 55

Voter Age Demographics



District Voter Demographics		
	<u>Total</u>	<u>Percent</u>
Republicans	5,483	12%
Democrats	26,820	58%
Other	13,691	30%
VBM Voters	38,063	83%

Source: Political Data

Voter Turnout

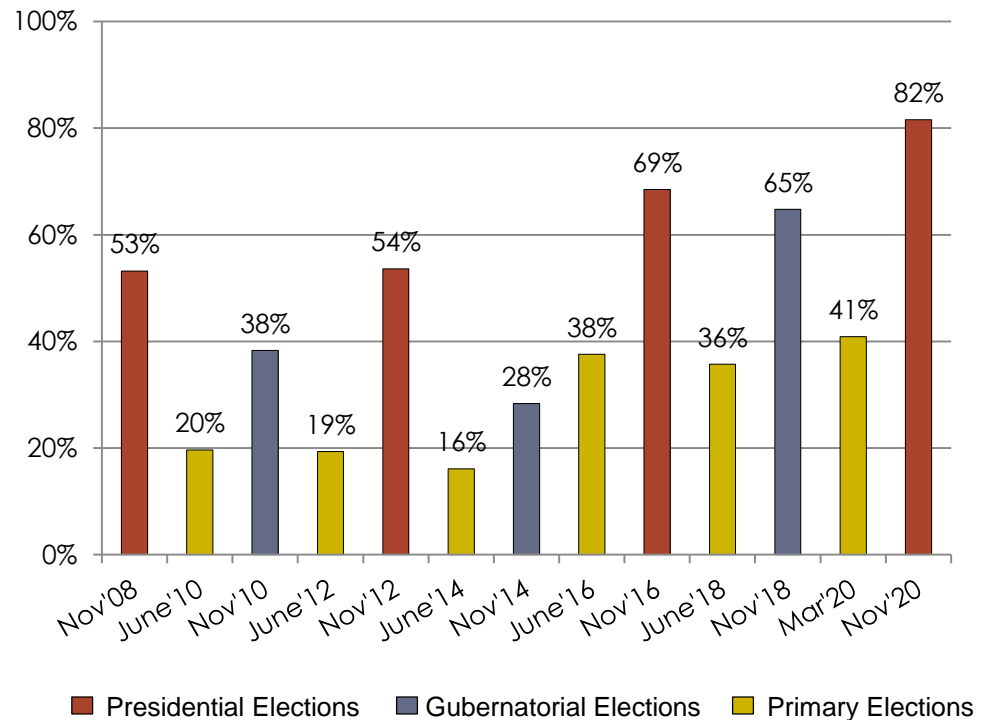


Turnout can affect success

South San Francisco USD

- ❖ Historical voter turnout has ranged from a low of 16% in June of 2014 to a high of 82% in November 2020
- ❖ Voter turnout varies considerably by election date and type of election and must be considered as different voters show up for different elections

Recent District Voter Turnouts



Source: Political Data

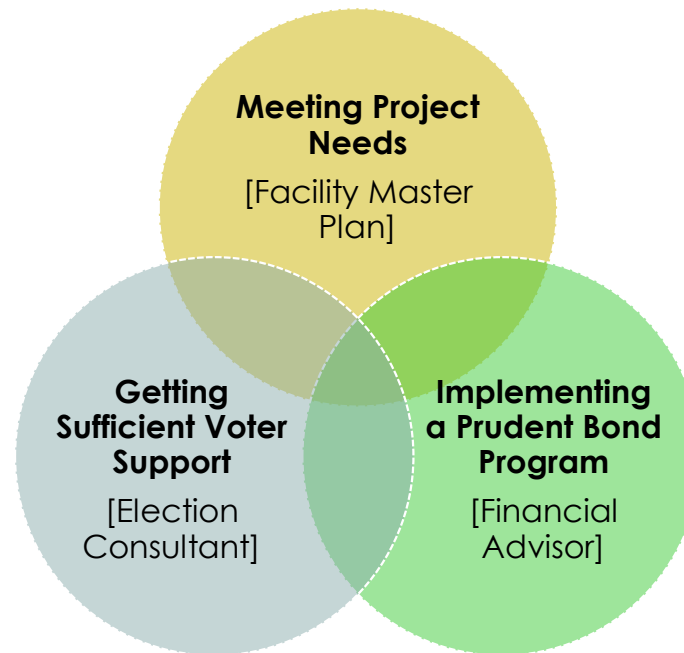


Balancing Objectives

Three main elements in a bond election

South San Francisco USD

- ❖ School districts balance a few competing objectives as they begin to explore a general obligation bond election.



Next Steps

Timeline – 2022 Election



Following these steps are key to District's success

South San Francisco USD

Task	Responsible Party	November 2022
Prepare project list	District/Architect	Fall 2021/Spring 2022
Board Meeting - approve "exploring" feasibility of a tax measure	District	Fall 2021/Spring 2022
Conduct Survey	Consultant	February 2022
Board Meeting - Survey Results Presentation	Consultant	March 2022
Initiate public information program, speaking with elected officials, large taxpayers, community service groups to discuss proposed tax measure	District	Spring 2022
Finalize Capital and Financing Plan	Consultant	Spring 2022
Prepare Resolution for Calling Election, including Ballot Language, Project List, Tax rate Statement	Consultant/ Bond Counsel	April / May 2022
Board Meeting - Board action to adopt Resolution Calling Election	District	May / June 2022
Submit Resolution Calling Election and Tax Rate Statement	District	August 2022
Prepare Argument in Favor of Measure	Consultant/District	August 2022
Submit Argument in Favor of Measure	Consultant/District	August 2022
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	August 2022
Run Campaign	Campaign Committee	August – November 2022
Election Day		November 8, 2022

Appendix: Parcel Tax vs. Bond Measure

Parcel Taxes and Bonds



Bonds can be approved with a lower voter threshold

South San Francisco USD

- ❖ There are a few notable differences between parcel taxes and bonds.

	Parcel Tax	General Obligation Bond (Proposition 39)
Voter Threshold	66.7% (two-thirds) required	55.0% required
Election Dates	May generally be held on any Tuesday	Must be held on the same day as a statewide primary, general or special election, or at a regularly scheduled local election
Use of Proceeds	Can be used for any purpose specified in the ballot	May be used only for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property
Exemptions	Can provide exemptions (such as to senior citizens)	No exemptions allowed (depends on assessed value of property)

Regulatory Disclosure

Disclosure of Conflicts of Interest and Legal or Disciplinary Events. Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. ("Isom") and its associated persons.

Conflicts of Interest. Compensation. Isom represents that in connection with the issuance of municipal securities, Isom may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding Isom's ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

Other Municipal Advisor Relationships. Isom serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of another Isom client. These other clients may, from time to time and depending on the specific circumstances, have competing interests. In acting in the interests of its various clients, Isom could potentially face a conflict of interest arising from these competing client interests. Isom fulfills its regulatory duty and mitigates such conflicts through dealing honestly and with the utmost good faith with its clients.

If Isom becomes aware of any additional potential or actual conflict of interest after this disclosure, Isom will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

Legal or Disciplinary Events. Isom does not have any legal events or disciplinary history on Isom's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access Isom's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Isom, Isom will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Isom, its management and personnel.