Recommendation:

Motion to Adopt Resolution Calling General Obligation Bond Election for $71.5 million in bond projects In the District on November 8, 2022.

Approve

Submitted by: Hilaria Bauer, Ph.D. Title: Superintendent

To the Board of Trustees: Meeting: July 21, 2022

Approval Regular Board Meeting

5.05

Agenda Placement

Hilaria Bauer, Ph.D., Superintendent

DISPOSITION BY BOARD OF TRUSTEES

Motion by: Seconded by:

Approved: Not Approved: Tabled:

RESOLUTION NO. 02-22/23

RESOLUTION OF THE BOARD OF TRUSTEES OF THE ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT ORDERING AN ELECTION TO AUTHORIZE THE ISSUANCE OF SCHOOL BONDS, ESTABLISHING SPECIFICATIONS OF THE ELECTION ORDER, AND REQUESTING CONSOLIDATION WITH OTHER ELECTIONS OCCURRING ON NOVEMBER 8, 2022

WHEREAS, the Alum Rock Union Elementary School District (the "District") in Santa Clara County (the "County"), State of California, is committed to providing quality education to its students; and

WHEREAS, District voters have previously approved Measure J at an election in the District held on November 6, 2012, authorizing the issuance of general obligation bonds in the amount of up to $125 million to address facilities improvement needs ("Measure J Bonds"); and

WHEREAS, as of this date, the District has issued three series of Measure J Bonds in the combined principal amount of $53,500,000, leaving $71,500,000 of authorized but unissued Measure J Bonds, which the District is unable to issue in the near future for important facilities improvement projects due to tax rate limitations; and

WHEREAS, in order to achieve funding in the near future to address critical facilities needs and provide District students with facilities conducive to high levels of academic achievement in safe, healthy environments, the Board wishes to submit to the voters of the District a measure authorizing the issuance of general obligation bonds for school facilities improvements; and

WHEREAS, the bond measure described herein shall be a reauthorization of the remaining Measure J Bonds, which, upon the issuance of reauthorized bonds, a like principal amount of Measure J Bonds shall be cancelled and no longer valid; and

WHEREAS, furthermore, the low supply of affordable housing in the District makes it difficult for the District to ensure it has sufficient teachers and other employees as needed to provide quality education to its students and as such, the District has determined that in order to recruit and retain high quality teachers and employees, that it is advisable to provide affordable rental housing facilities to such employees; and

WHEREAS, pursuant to the Teacher Housing Act of 2016, constituting Part 14 (commencing with Section 53570) of Division 31 of the Health and Safety Code of the State of California (the "Teacher Housing Act"), the State Legislature has found and declared that the stability of housing for school employees is critical to the overall success and stability of schools in California, and that students and the community at large are benefited by teachers living in the community in which they work; and

WHEREAS, the Teacher Housing Act authorizes a school district to establish and maintain programs that address the housing needs of teachers and school district employees; and

WHEREAS, in addition, the State Legislature has provided that the construction, reconstruction, or renovation of rental housing facilities for school district employees is a permissible capital outlay purpose for school districts; and

WHEREAS, as such, in order to address the teacher and employee housing needs which exist in the District, the Board wishes to submit to the voters of the District a measure authorizing the issuance of general obligation bonds of the District which includes the purpose of financing the acquisition, construction and improvement of facilities to be operated as affordable rental housing for teachers and employees of the District to be built on land which is owned or will be owned by the District; and

WHEREAS, on November 7, 2000, the voters of the State of California approved Proposition 39 ("Proposition 39"), which amended Articles XIIIA of the California Constitution ("Article XIIIA") to allow for the levy of *ad valorem* property taxes for the payment of bonded indebtedness of a school district, community college district or county office of education approved by at least 55 percent of the voters voting on such proposition; and

WHEREAS, upon the passage of Proposition 39, the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Act"), became operative; and

WHEREAS, in the judgment of the Board, it is advisable to call an election pursuant to the Act to submit to the electors of the District the question whether bonds of the District shall be issued and sold pursuant to the authority of Article XVI Section 18 of the California Constitution and Article XIIIA (together with the Act, the "Law") for the purposes authorized by the Law and as described in Appendix A hereto (the "Full Text of Bond Measure"); and

WHEREAS, under the Act, the election may be ordered at a primary or general election, a regularly scheduled local election at which all of the electors of the District are entitled to vote, or a statewide special election, upon a two-thirds vote of the Board; and

WHEREAS, the Board wishes to call an election in the District pursuant to the Law on November 8, 2022, which is the date of the statewide general election, and pursuant to Education Code Section 15121 and Elections Code Section 10400 and following, to request consolidation with any and all other elections held in the District on such date, and to request the Santa Clara County Registrar of Voters (the "County Registrar") to perform election services for the District; and

WHEREAS, in connection with the calling of a bond election and in accordance with Education Code Section 15100 subparagraph (c), the Board has obtained reasonable and informed projections of assessed property valuations that take into consideration projections (if any) of assessed property valuations made by the Santa Clara County Assessor; and

WHEREAS, pursuant to United States Income Tax Regulations Section 1.150-2, the Board desires to declare its official intention at this time that if the measure submitted to voters hereunder is successful and bonds are issued pursuant to such measure, that it intends to reimburse from said bond proceeds expenditures, if any, made by the District prior to the date of issuance of said bonds for the purposes described in the measure;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Recitals; Findings. The foregoing recitals are true and correct. In connection herewith, the Board hereby determines to establish and maintain a program that addresses the facilities needs of teachers and school district employees with respect to housing as authorized by the Teacher Housing Act.

Section 2. Call for Election. 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 maximum principal amount of $71,500,000 for the purpose of financing the acquisition, construction, improving and equipping of District facilities, as more fully described in the ballot measure approved under Section 4 and attached hereto as Appendix A (Full Text of Bond Measure) and Appendix B (Abbreviated Text of Bond Measure), and paying all 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 3. Election Date. The date of the election shall be November 8, 2022, and such bond election shall be held solely within the boundaries of the District. The boundaries of the District have not changed since the District's last election. The election is requested to be consolidated pursuant to Section 9 hereof.

Section 4. Purpose of Election; Ballot Measure. The purpose of the election shall be for the voters in the District to vote on a bond measure, a full copy of which is attached hereto as Appendix A and marked "Appendix A – Full Text of Bond Measure" (the "Full Text of the Measure"), containing the question of whether the District shall issue general obligation bonds for the purposes stated therein, together with the accountability requirements of Article XIIIA and the requirements of Section 15272 of the Act. The Full Text of the Measure, which commences with the heading "FULL TEXT OF BOND MEASURE" and includes all of the text thereafter on Appendix A, shall be printed in the voter information pamphlet provided to voters, with such measure designation as is assigned to the measure by the County elections official.

As required by Education Code Section 5322 and Elections Code Section 13247, the abbreviated statement of the measure to appear on the ballot is attached hereto as Appendix B and is marked as "Appendix B – Abbreviated Form of Bond Measure." The President of the Board and the Superintendent are hereby separately authorized and directed to make any changes to the text of the bond measure as described herein to conform to any requirements of the Law or the County Registrar, to changes in applicable legal provisions, and upon the advice of its legal counsel. Any such changes shall be directed in writing by the Superintendent to the County Registrar.

Section 5. Authority for Election. The authority for ordering the election is contained in Section 15264 *et. seq.* of the Education Code, Article XVI Section 18(b) of the California Constitution and paragraph (b) subsection (3) of Article XIIIA. The authority for the specification of this election order is contained in Section 5322 of the Education Code.

Section 6. Proceeds for School Facilities. The Board certifies that the proceeds from the sale of the bonds will be used only for the purposes specified in Article XIII A, Section 1(b)(3) as further specified in Appendix A, and not for any other purpose, including teacher and administrator salaries and other school operating expenses. Further, as required by Article XIIIA, the Board hereby certifies that it has evaluated safety, class size and information technology needs in developing the list of school facilities projects set forth in Appendix A.

Section 7. Covenants of the Board upon Approval of the Bonds by the Electorate; Accountability Measures. As required by Article XIIIA, Section 15278 of the Act, and Government Code Section 53410, in the event 55 percent of the voters voting in the District approve of the Bonds, the Board shall:

(a) conduct an annual, independent performance audit to ensure that the funds have been expended only on the projects listed in Appendix A;

(b) conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the school facilities projects listed in Appendix A;

(c) establish and appoint members to an independent citizens' oversight committee in accordance with Sections 15278, 15280, and 15282 of the Act;

(d) apply the Bond proceeds only to the specific purposes stated in the ballot proposition;

(e) cause the creation of accounts into which bond proceeds shall be deposited; and

(f) cause the preparation of an annual report pursuant to Government Code Sections 53410 and 53411.

Section 8. Delivery of this Resolution. The Clerk of the Board is hereby directed to send a copy of this Resolution to (1) the County Registrar, and (2) the Clerk of the Board of Supervisors of the County (the "Clerk of the Board") for purposes of consolidation pursuant to Elections Code Section 10403. The Resolution shall be received by the County Registrar and the Clerk of the Board no later than 88 days prior to the election date, unless otherwise permitted by law.

The County Registrar is hereby requested to print the full text of the ballot measure in the ballot materials as it appears on Appendix A hereto and to provide all required notices of the election and other notices related thereto.

Section 9. Consolidation of Election; Request to Provide Services. The County Registrar and the Board of Supervisors of the County are hereby requested to consolidate the election ordered hereby with any and all other elections to be held on November 8, 2022 within the District pursuant to Division 10, Part 3 of the Elections Code.

Pursuant to Section 5303 of the Education Code and Section 10002 of the Elections Code, the Board of Supervisors of the County is requested to permit the County Registrar to render all services in connection with the election, including applicable provisions of Divisions 9, 10, 13 and 14 of the Elections Code, including as specified by Section 10418 of the Elections Code, for which services the District agrees to reimburse the County in full 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 sample ballot and tax rate statement (described in Section 9401 of the Elections Code).

Section 10. Approval of Tax Rate Statement. Pursuant to Elections Code Section 9400, a tax rate statement has been prepared in the form attached hereto as Appendix C, which form of Tax Rate Statement is hereby approved for inclusion in the sample ballot. The President of the Board, the Superintendent, or any written designee of the foregoing, are hereby separately authorized and directed to execute the tax rate statement, and to file said Statement with the County Registrar, in accordance with Section 8.

Section 11. Ballot Arguments. As provided in Elections Code Section 9501, 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.

Section 12. Maturity Limit of Bonds. The Bonds may be issued in one or more series by the District from time to time, and each series of Bonds shall mature not more than the legal limit at the time of such issuance thereof. The Bonds shall be issued under the Act, under the provisions of Section 53506 *et seq.* of the California Government Code, or under any other provision of law authorizing the issuance of general obligation bonds by school districts.

Section 13. State Matching Funds. The Board hereby finds that some of the projects identified on the Full Text of Measure may require additional funding such as State matching funds for completion. As such, the statement required by Education Code Section 15122.5 has been included and incorporated within the Full Text of Measure attached hereto which shall be reproduced in the sample ballot.

Section 14. Estimates Included in Ballot Materials. The measure and related tax rate statement authorized by this Resolution to be included in the sample ballot and other voting materials include certain information which is based upon reasonable assumptions and current expectations, which may include information with respect to the estimated amount of money required to be raised annually to repay issued bonds, the estimated and average rate of the approved tax per $100 of assessed valuation, and the estimated period of years through which the proposed tax supporting bond repayment will be levied and collected. Any such estimates, projections and averages have been provided by the District in good faith based upon information currently available to the District. Each of the estimates and projections used in this bond measure depend on numerous assumptions which are subject to variation and change over the term of the District's overall facilities and bond financing plan. The estimates, averages and projections provided shall not restrict the tax imposed in accordance with the bond measure, are provided as informational and are not intended by the Board to be additional restrictions or caps on the District's bond program and bond issuances, and, other than the total principal amount of bonds authorized to be issued by the bond measure, shall not represent legal maximums or additional limitations on bond issuance beyond what is

required under applicable State bond law provisions. In addition, the 75 word abbreviated form of the measure is not intended to limit the broader and more complete meaning of the measure or facilities projects to be financed as set forth in this Resolution and each of the appendices hereto and as may be reflected in the election materials.

Section 15. Reimbursement. Pursuant to United States Income Tax Regulations Section 1.150-2, the District hereby declares that it may (i) pay certain costs of the projects listed in Appendix A prior to the date of issuance of bonds and, in such case, (ii) intends to use a portion of the proceeds of bonds for reimbursement of said expenditures for the projects that are paid before the date of issuance of bonds.

Section 16. Reauthorization Bonds; Covenant to Cancel Measure J Bonds. The District intends that the bonds authorized pursuant to this measure reauthorize Measure J Bonds which are unissued. As such, if this measure is approved, when bonds are issued, a like principal amount of Measure J Bonds shall be cancelled by the District through cancellation proceedings. Notwithstanding the foregoing, if no cancellation actions are taken, said Measure J Bonds shall be deemed cancelled and the District covenants not to issue a like principal amount of Measure J Bonds.

Section 17. Official Actions. The President of the Board, the Vice President of the Board, the Superintendent and the Assistant Superintendent, Business Services are each hereby separately authorized and directed to execute and deliver to County officials any directions, requisitions, clarifications or other writings for the District, and to make any changes to the texts of the measure as described herein and in the tax rate statement, to conform to any legal requirements or the requirements of the County Registrar, in order to cause the election to be held and conducted in the District as provided herein.

Section 18. Effective Date. This resolution shall take effect on the date of adoption hereof.

* * * * * * * *

The foregoing Resolution was adopted by the Board of Trustees of the Alum Rock Union Elementary School District of Santa Clara County, being the Board authorized by law to make the designations therein contained by the following vote, on July 21, 2022.

Adopted by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
President of the Board

Attest:

_____
Clerk/Secretary of the Board

APPENDIX A

FULL TEXT OF BOND MEASURE

The Full Text of Measure to be printed in the voter guide starts below the line.

FULL TEXT OF BOND MEASURE ___

INTRODUCTION

The following is the abbreviated form of the Bond Measure:

> "To improve science, technology, engineering, art, and math (STEAM) classrooms; increase student access to computers and modern classroom technology; build below-market teacher/ staff rental housing; and improve student safety/ campus security; shall Alum Rock Union Elementary School District's measure authorizing $71.5 million of bonds be adopted (reauthorizing bonds previously approved in November 2012), with legal rates, projected levies less than 2¢/ $100 of assessed valuation (raising $4.4 million/ year while bonds are outstanding), annual audits and independent citizen oversight?"

BOND AUTHORIZATION

By approval of this Measure by at least 55 percent of the registered voters voting on the measure, the Alum Rock Union Elementary School District (the "District") will be authorized to issue and sell bonds of up to $71.5 million in aggregate principal amount at interest rates not to exceed legal limits, and to provide financing for the specific types of school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

ACCOUNTABILITY REQUIREMENTS

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIIIA, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following.)

Evaluation of Needs. The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

Independent Citizens' Oversight Committee. Following approval of this measure, the School Board will establish an Independent Citizens' Oversight Committee, under Education Code Sections 15278 and following, to ensure bond proceeds are expended only on the types of school facilities projects listed below. The committee will be

established within 60 days of the date when the results of the election appear in the minutes of the School Board.

Performance Audits. The School Board will conduct annual, independent performance audits to ensure that the bond proceeds have been expended only on the school facilities projects listed below.

Financial Audits. The School Board will conduct annual, independent financial audits of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

Government Code Accountability Requirements. As required by Section 53410 of the Government Code, (1) the specific purpose of the bonds is set forth in this Full Text of the Measure, (2) the proceeds from the sale of the bonds will be used only for the purposes specified in this measure, and not for any other purpose, (3) the proceeds of the bonds, when and if issued, will be deposited into a building fund to be held by the Santa Clara County Treasurer, as required by the California Education Code, and (4) the Superintendent of the District shall cause an annual report to be filed with the School Board not later than January 1 of each year, which report shall contain pertinent information regarding the amount of funds collected and expended, as well as the status of the projects listed in this measure, as required by Sections 53410 and 53411 of the Government Code.

NO TEACHER OR ADMINISTRATOR SALARIES

Proceeds from the sale of bonds authorized by this measure shall be used only for the purposes specified in Article XIII A, Section 1(b)(3), those being for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, and the acquisition or lease of school facilities, and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

STATE MATCHING FUNDS

The following statement is included in this measure pursuant to Education Code Section 15122.5: Approval of this measure does not guarantee that the proposed project or projects that are the subject of bonds under this measure will be funded beyond the local revenues generated by this measure. The District's proposal for the project or projects described below may assume the receipt of matching state funds, which, if available, could be subject to appropriation by the Legislature or approval of a statewide bond measure.

INFORMATION ABOUT ESTIMATES AND PROJECTIONS INCLUDED IN BALLOT

Voters are informed that any estimates, averages or projections in the bond measure, ballot materials and ballot label, including relating to estimated or average tax rates, the duration or term of issued bonds and related tax levies and money raised annually from tax levies to repay issued bonds are provided as informational only. Such amounts are estimates and are not maximum amounts, caps or limitations on the terms of the bonds, the tax rates or duration of the tax supporting repayment of issued bonds. Such estimates depend on numerous variables which are subject to variation and change over the term of the District's overall facilities and bond financing plan, including but not limited to the

amount of bonds issued and outstanding at any one time, the interest rates applicable to issued bonds, market conditions at the time of sale of the bonds, when bonds mature, timing of project needs and changes in assessed valuations in the District. However, estimates and approximations provided as part of this measure are based on information currently available to the District and its current expectations, and such estimates and approximations are not limitations or maximums on the terms of bond, durations or tax rates required to amortize issued bonds. In addition, the abbreviated 75-word statement of the Measure is not intended to and does not limit the broader, more complete meaning of the Measure set forth herein and in the Resolution of the District Board placing this Measure on the ballot.

COVENANT REGARDING UNISSUED MEASURE J BONDS

The District Board intends that this measure reauthorize unissued Measure J Bonds of 2012. As such, the District has covenanted that if this measure is successful, when bonds are issued, a like principal amount of Measure J Bonds will be cancelled and will not be issued.

BOND PROJECT LIST

Scope of Projects. Bond proceeds will be expended to modernize, replace, renovate, construct, equip, rebuild and furnish the District's facilities as described in the following list. Whenever specific items are included in the following list, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects.

This measure authorizes bond projects to be undertaken at all current and future properties and sites of the Alum Rock Union Elementary School District.

School Facility Project List. The items presented on the following list are the types of projects authorized to be financed with voter-approved bond proceeds. Specific examples included on this list are not intended to limit the broad types of projects described and authorized by this measure. The types of projects authorized to be undertaken are:

RENOVATION, CONSTRUCTION, MODERNIZATION, AND REPAIR OF SCHOOLS AND FACILITIES

Improvements for Student Health and Safety

- Install new or improve existing student fire safety systems
- Upgrade aging and/or deteriorating restrooms.
  Improve school site parking, upgrade student drop-off areas and improve off-street parking, including repair of unsafe asphalt.
- Install new or improve existing fire safety systems
- Enhance student safety, including improving security systems, lockable gates, security locks, security cameras, outdoor lighting, fencing and emergency communication systems and other safety enhancements.

Energy Efficiency Improvements and Other Cost-Saving Improvements

- Upgrade electrical, heating, cooling ventilation systems for energy efficiency and to reduce energy costs.

Technology Improvements for 21st Century Classroom Instruction

- Upgrade classroom technology and technology infrastructure, including acquisition of computers, servers, network facilities and other technology equipment.

Repair and Upgrade of School Facilities

- Repair/replace leaking or deteriorating roofs.
- Renovate, upgrade classrooms, buildings, including physical education, administration areas, upgrade facilities, as needed; improve access for students and teachers with disabilities, remove hazardous materials, if any.
- Add additional classrooms to reduce class size.
- Upgrade drainage systems, improve school grounds including landscaping, walkways and drinking fountains.
- Renovate, upgrade and provide additional classrooms, library facilities, multi-purpose rooms, buildings, storage and support areas, administrative office facilities, walkways and other educational facilities as needed; improve access for students and teachers with disabilities, remove hazardous materials, if any.
- Upgrade the District central support office, including electrical, hearing, cooling and ventilation systems, restrooms, signage, door locks, outdoor security lighting, handicapped accessibility and adding relocatable rooms; repair/replace deteriorating roofs, and District technology systems.
- Upgrade District athletic facilities, including play court surfaces and athletic fields.

CONSTRUCTION OF RENTAL HOUSING FOR DISTRICT TEACHERS AND STAFF

- Design, construction and acquisition of rental housing units
- Parking lot construction and improvement as needed
- Architect and engineering fees
- General contractor fees
- Labor and material costs
- Sewer capacity improvements
- Environmental review

- Rezoning application fees as required
- Municipal licensing fees as required

Furnishing and Equipping; Incidental Expenses. Each of the bond projects described in this Bond Project List include the costs of furnishing and equipping such facilities, and all costs which are incidental but directly related to the types of projects described above. Examples of incidental costs include, but are not limited to: costs of design, engineering, architect and other professional services, facilities assessments, inspections, site preparation, utilities, landscaping, construction management and other planning and permitting, legal, accounting and similar costs; independent annual financial and performance audits; a customary construction contingency; demolition and disposal of existing structures; the costs of interim housing and storage during construction including relocation and construction costs and rental costs incurred relating to interim facilities; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; costs of relocating facilities and equipment as needed in connection with the projects; interim classrooms and facilities for students, administrators, and school functions, including modular and parking facilities; federal and state-mandated safety upgrades; addressing unforeseen conditions revealed by construction/modernization and other necessary improvements required to comply with existing building codes, including the Field Act; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

Alterations to Scope; New Construction. The scope and nature of any of the specific projects described above may be altered by the District as required by unforeseen conditions that may arise during the course of design and construction. In the event that a modernization or renovation project is more economical for or otherwise determined by the Board to be in the best interests of the District to be undertaken as new construction, this bond measure authorizes land acquisition, relocation and construction at a new or alternative site, and/or demolition and reconstruction and/or repurposing on the original site, including an expanded site, and all costs relating thereto. In addition, this measure authorizes the acquisition of real property, including necessary rights of ways or other real property interests, required to expand District facilities, to provide access to school or other District facilities, or to provide additional school or related facilities. This measure also authorizes the consolidation of schools into a single campus or related campuses.

Interim Financing Included; Joint Use Projects Authorized. In addition, authorized projects include reimbursements for paid project costs and paying and/or prepaying interim or previously obtained financing for the types of projects included on the project list, such as bond anticipation notes or lease financings relating to projects and/or equipment previously financed. Finally, projects on this list may be undertaken and used as joint use projects with other public agencies.

Other Funding Sources. Approval of the District's bond measure does not guarantee that all of the identified projects within this Bond Project List will be funded beyond what can be completed with funds generated by this bond measure. The District plans to pursue matching funds from the State of California, if available, to provide additional funding to complete certain of the identified facilities projects.

Unforeseen Circumstances. Many factors which the District cannot predict or control may

impact its ability to address each of the projects, including but not limited to construction cost issues, supply chain issues which can cause project delays, labor shortages, and unknown environmental factors or site conditions, among others. The District is unable to anticipate all unforeseen circumstances which may prevent some of the projects listed above from being undertaken or completed.

Project List Not in Order of Priority; Board Determines Prioritization. The order in which projects are listed in the foregoing Bond Project List does not suggest an order of priority. Project prioritization is vested in and will be determined by the District Board.

The Full Text of Measure to be printed in the voter guide ends at the above line.

APPENDIX B

ABBREVIATED FORM OF BOND MEASURE

To improve science, technology, engineering, art, and math (STEAM) classrooms; increase student access to computers and modern classroom technology; build below-market teacher/ staff rental housing; and improve student safety/ campus security; shall Alum Rock Union Elementary School District's measure authorizing $71.5 million of bonds be adopted (reauthorizing bonds previously approved in November 2012), with legal rates, projected levies less than 2¢/ $100 of assessed valuation (raising $4.4 million/ year while bonds are outstanding), annual audits and independent citizen oversight?

Bonds—Yes Bonds—No

APPENDIX C

TAX RATE STATEMENT

The Tax Rate Statement to be printed in the voter guide starts below the line.

TAX RATE STATEMENT
REGARDING PROPOSED
ALUM ROCK UNION ELEMENTARY SCHOOL DISTRICT
GENERAL OBLIGATION BONDS

An election will be held in the Alum Rock Union Elementary School District (the "District") on November 8, 2022, to authorize the sale of up to $71.5 million in bonds of the District to finance school facilities as described in the measure. If such bonds are authorized and sold, principal and interest on the bonds will be payable only from the proceeds of *ad valorem* 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. Such information is based upon the best estimates and projections presently available from official sources, upon experience within the District, and other demonstrable factors.

Based upon the foregoing and projections of the District's assessed valuation, the following information is provided:

1. The best estimate of the average annual tax rate which would be required to be levied to fund this bond issue over the entire duration of the bond debt service, based on a projection of assessed valuations available at the time of filing of this statement, is $0.01956 per $100 of assessed valuation (or $19.56 per $100,000 of assessed value). The final fiscal year in which the tax is anticipated to be collected is 2055-56.

2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on a projection of assessed valuations available at the time of filing of this statement, is $0.02040 per $100 of assessed valuation (or $20.40 per $100,000 of assessed value). It is estimated that such rate would be levied starting in fiscal year 2028-29 and following.

3. The best estimate of the total debt service, including the principal and interest, that would be required to be repaid if all the bonds are issued and sold is approximately $123.5 million.

Voters should note the estimated tax rate is based on the assessed value (not market value) of taxable property on the County's official tax rolls. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective tax rate than described above. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

The attention of all voters is directed to the fact that the foregoing information is based upon projections and estimates only, which amounts are not maximum amounts and are not binding upon the District. The actual debt service, tax rates and the years in which they will apply may vary from those used to provide the estimates set forth above, due to factors such as variations in the timing of bond sales, the par amount of bonds sold and market interest rates available at the time of each sale, actual assessed valuations over the term of the bonds, and other factors. The date and amount of bonds sold at any given time will be determined by the District based on the need for project funds and other considerations. The actual interest rates at which the bonds will be sold will depend on conditions in the bond market at the time of sale. Actual future assessed valuations 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.

By: _____
Superintendent
Alum Rock Union Elementary School District

The Tax Rate Statement to be printed in the voter guide ends at the above line.