

MEASURE HH

Approval of Measure HH does not guarantee that the proposed project or projects in the Luther Burbank School District that are the subject of bonds under Measure HH will be funded beyond the local revenues generated by Measure HH. The school district's proposal for the project or projects may assume the receipt of matching state funds, which could be subject to appropriation by the Legislature or approval of a statewide bond measure.

COUNTY COUNSEL'S IMPARTIAL ANALYSIS OF MEASURE HH

Measure HH would authorize issuance of \$10,000,000 in bonds to fund school facilities projects in the Luther Burbank School District (District). Such bonds are financial instruments used by school districts to borrow money that is repaid by a property tax levy. California law allows school districts to propose bond measures to authorize the issuance of bonds. To pass, the Measure must be approved by two-thirds of voters who vote in the election. The Measure was put on the ballot by Board of Trustees (Board) of the District. The money would be used to replace the District's main building with a new building and provide money for a local match for State grants. Under the California constitution, funds raised by issuing the bonds authorized by the Measure can only be used for the acquisition or improvement of real property.

The bonds will be repaid from taxes collected on property in the District. The amount of the tax paid will depend on the assessed value of the property. The District's best estimate of the highest tax rate to be collected to repay the bonds is \$88.00 per \$100,000 of the assessed value of the property. The District's best estimate of the total amount, including interest, that will be required to repay the bonds is \$20,530,000. The District estimates that the final year that taxes will be collected to repay the bonds is fiscal year 2048-2049.

A "yes" vote is a vote to authorize the issuance of the bonds in the amount of \$10,000,000 to be repaid by collection of taxes on property located within the District.

A "no" vote is a vote to not authorize the issuance of the bonds.

James R. Williams
County Counsel

By: /s/ Danielle L. Goldstein
Deputy County Counsel

TAX RATE STATEMENT

\$10 MILLION

LUTHER BURBANK SCHOOL DISTRICT GENERAL OBLIGATION BONDS

An election will be held in the Luther Burbank School District (the "District") on November 6, 2018, to authorize the sale of up to \$10 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 \$0.088 per \$100 of assessed valuation (or \$88.00 per \$100,000 of assessed value). The final fiscal year in which it is anticipated that the tax will be collected is fiscal year 2048-49.
2. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, which is estimated to apply starting in fiscal year 2019-20, based on a projection of assessed valuations available at the time of filing of this statement, is \$0.088 per \$100 of assessed valuation (or \$88.00 per \$100,000 of assessed value).
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 \$20.53 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

TAX RATE STATEMENT-Continued

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: /s/ Christopher Ortiz
Dr., Superintendent, Luther Burbank School District

ARGUMENT IN FAVOR OF MEASURE HH

Luther Burbank is a historic district that has been providing a quality education to the children of our community for over 100 years. Our school is key to our children's future. Voting YES on Measure HH will allow the District to continue providing the children of our community with a quality education by replacing the outdated main education building. The main building, at the core of our campus, is a drain on the District due to its high maintenance costs and inhibits our children's learning by not providing windows and up-to-date ingress and egress for potential emergencies.

It has been over 12 years since we passed our last bond. Over time, the District has delivered by improving and constructing facilities, including the multipurpose room/cafeteria to relief overcrowding. This exemplifies good work made possible when the community and District come together. The District is asking the community to come together again, this time in support of a \$10 million bond authorization to help transform our school into a 21st century learning environment.

Let's support Measure HH in order to:

- Replace the main building with a modern, state-of-the-art facility

- Improve student access to 21st century learning environments

- Provide health and safety for all kids and staff

Measure HH provides taxpayer safeguards by establishing an independent Citizens' Oversight Committee to ensure funds are spent on voter-approved school improvements.

In Luther Burbank, we value and take pride in our school. Above all, we know education is one of the most important factors to success. That is why we support Measure HH.

STAND UP FOR OUR CHILDREN. Please join us in voting YES to ensure a better education and future for the children of Luther Burbank.

/s/ Meghan Weisler
President, Luther Burbank School District Board of Trustees

/s/ Fadi Saba
Teacher, President of Luther Burbank Education Association

/s/ Norma Castaneda
Parent and Community Member

/s/ Michael Rowe
Board Member, Luther Burbank Board of Trustees

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE HH

The high living costs in San Jose are already driving out middle class families to cheaper cities. The debt of bonds and parcel taxes do not get absorbed by landlords and instead are passed on to renters. So while the extra \$400-\$600 a year might not be much for some homeowners-It's the cost of school clothes AND school lunches for some.

Now is the time to focus on paying down the **hundreds of millions in debt** before taking out a new loan that these same children will be responsible for paying off.

Our schools and students are on the right path, without a second bond that these same children will be paying off.

VOTE NO ON MEASURE HH

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

/s/ Mark Hinkle
President, Silicon Valley Taxpayers Association

ARGUMENT AGAINST MEASURE HH

This bond measure should read:

Shall the districts measure authorize, on average, an additional \$660 per year in taxes, to fund a \$10,000,000 bond, with \$12,000,000 in interest, for a total of \$22,000,000 in taxes collected, to support building a new administration building for front staff, principals, and the district office?

The proposed bond is not for new classrooms, school supplies, libraries or even sport facilities. The proposed bond is **ONLY for the administrative building** to be enjoyed by staff.

Does an administrative building, for this single site, district need to come at the cost of **\$22 MILLION dollars**, after interest?

Will this new staff building be worth **increasing your annual tax by an average of \$400 a year?!**

Proposition 2, which passed in 2004, forces the state to set aside surplus money to go towards capital improvements of our schools. With over **\$2.4 billion in surplus taxes collected, the State of California has money set aside for projects just like this.** So why has the school district not filled for a School Improvement Grant (SIG) with the state?

When the **top 1% of taxpayers have already overfunded school improvement funds**, you should not be on the hook to pay for rebuilding the front office of Luther Burbank. The taxes have been collected, there is no interest that should be paid for by local residents. Let's focus our efforts on getting that money from the state, and not overburdening ourselves with yet another bloated tax bond measure. **VOTE NO ON MEASURE HH.** Learn more: https://www.sccclp.org/2018_measures

/s/ Jennifer Imhoff
Chair, Libertarian Party of Santa Clara County

/s/ Mark Hinkle
President, Silicon Valley Taxpayers Association

REBUTTAL TO ARGUMENT AGAINST MEASURE HH

Please don't be misled by the opponents of Measure HH. Measure HH is about building better school classrooms for our kids. Measure HH will build up to 12 new classrooms for use by kindergarten through 5th grade students and a new library. The Measure will also construct the needed student support facilities and restrooms. At Luther Burbank, we want the same opportunities for our kids to succeed as other students have.

Measure HH will provide our students with new classrooms and a 21st century learning environment. It will give them the academic foundation to succeed in high school, college, and beyond in good paying jobs and careers.

In recent years, the District received only limited funding from the State which it used to improve only a portion of the school facilities. The District will continue to apply for state grants it is eligible to receive over time; however these funds are insufficient to fund these required improvements.

Measure HH is a wise investment in our community with safeguards in place including:

- An independent citizens' oversight committee to protect taxpayer funds
- Annual financial and performance independent audits on all Measure HH expenditures

We need to rebuild our classrooms to ensure that all students have the same opportunity to compete and succeed in the new economy regardless of where they start. We must now invest in our school, so ALL children have the same high-quality classrooms and facilities so local students do not get left behind.

/s/ Meghan Weisler
President, Board of Trustees

/s/ Norma Castaneda
Parent/Community Member

/s/ Fadi Saba
President, Luther Burbank Education Association