



San Benito High School District

Working with the City of Hollister and
County of San Benito on a Second High School

February 8, 2022

District Team

San Benito High School District

- John Corrigan, President, Board of Trustees
- Shawn Tennenbaum, Ed.D., Superintendent
- Roseanne Lascano, Chief Business Officer

Capitol Public Finance Group

- Jeffrey Small, Municipal Financial Advisor



The Problem

San Benito High
School is full

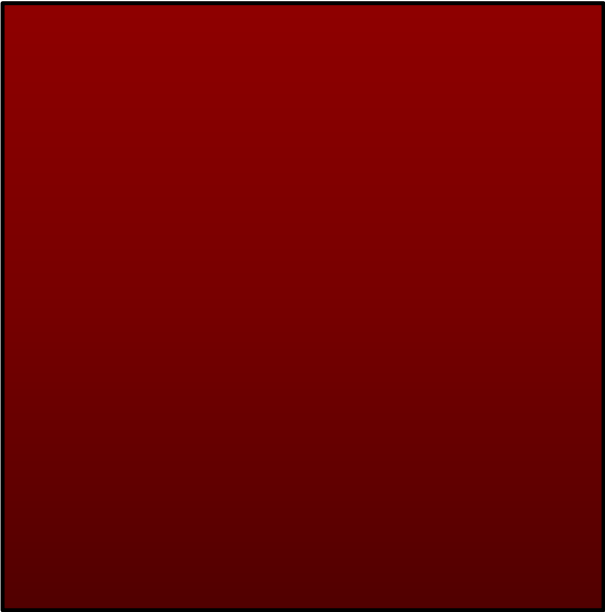
Any additional students from new development will diminish the educational program for students in our community

A new high school is
needed

The District needs assistance to fund construction of the school



Objective



Work collaboratively with the City of Hollister and the County of San Benito to ensure adequate funding for a new high school serving our common constituents

Agenda

Background



Funding



Residential Development



Moving Forward





Background

School Capacity and Student Enrollment

San Benito High School
has capacity for
approximately 3,437
students.

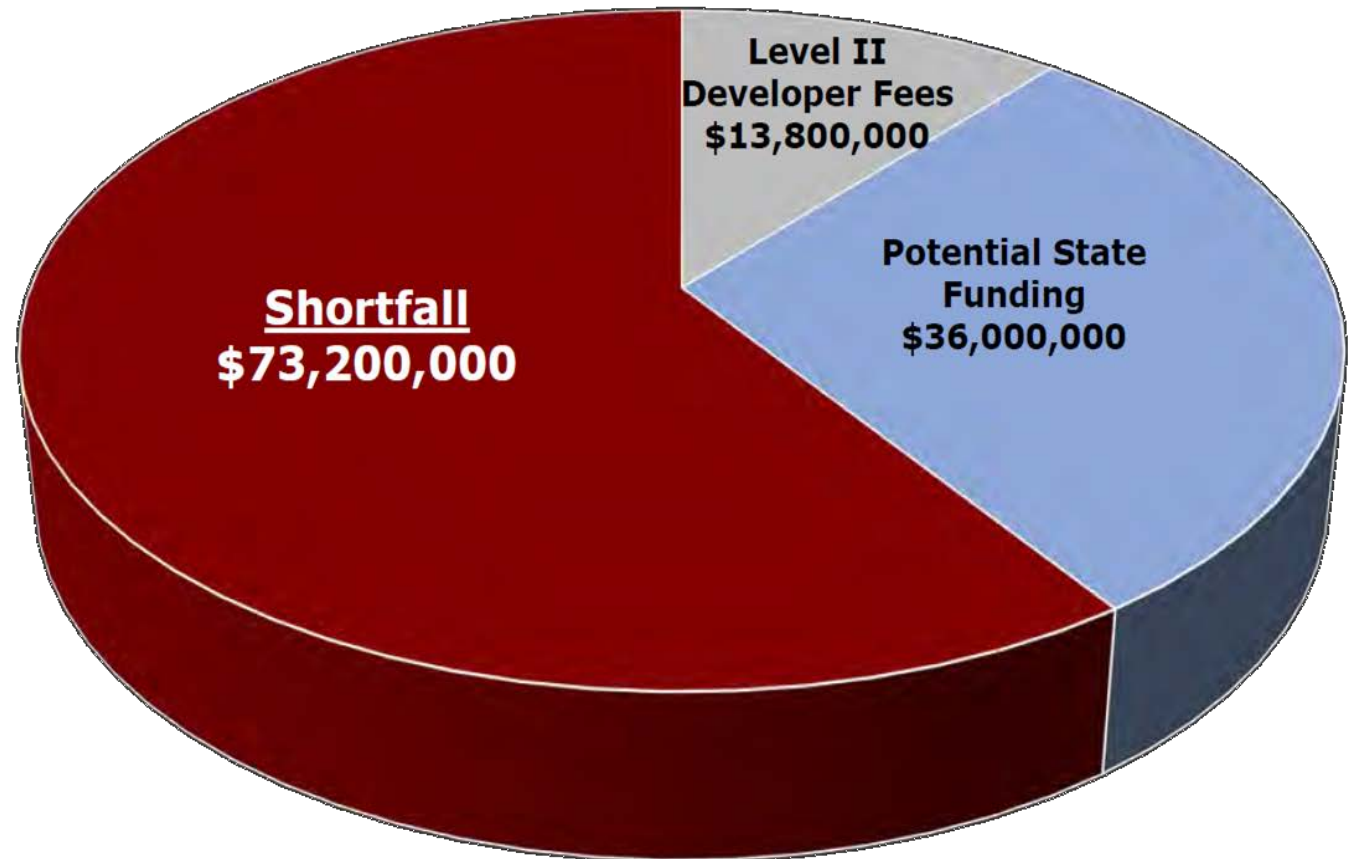
Enrollment
currently stands
at 3,423
students

Current projections show
enrollment growth of 237
students over the next
two years from existing
development

Does not include
future
residential units

A New High School is Estimated to Cost \$123 Million (in 2020\$)

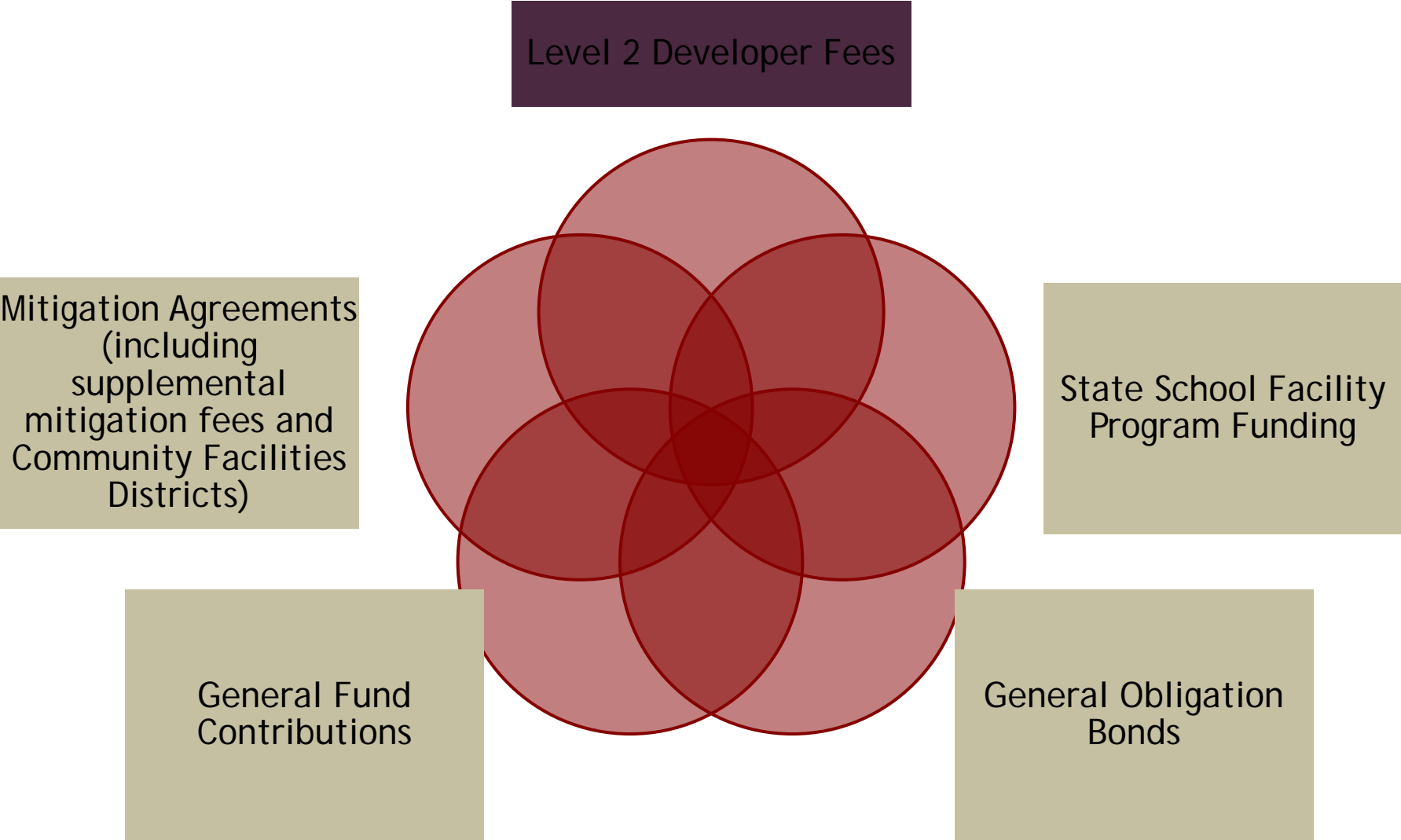
- ▶ The District currently has 2 available funding sources:
 - ▶ Developer Fees
 - ▶ State Funding
- ▶ A significant funding shortfall is anticipated





Funding

Possible Funding Sources for New School Construction



Developer Fees



School districts collect fees from new development to mitigate their impact

The amount of fees a district can collect is limited under the law

Developers applying for residential building permits in the District currently pay "Level 2 Fees" of \$1.75 per square foot

Level 2 Fees are insufficient to construct a new high school, as an estimated \$13.8 million would be generated from all anticipated new development

Historical Developer Fees

- ▶ The District has collected approximately \$8.6 million in developer fees over the past 13 years
- ▶ Over the last four years, the District has received payment for 1,924 building permits

Historical Developer Fees Collected					
Year	Residential Permits	Residential Fees Collected	Commercial Permits	Commercial Fees Collected	Total
2008-09	N/A	N/A	N/A	N/A	\$113,824
2009-10	N/A	N/A	N/A	N/A	\$177,757
2010-11	N/A	N/A	N/A	N/A	\$129,737
2011-12	N/A	N/A	N/A	N/A	\$33,323
2012-13	N/A	N/A	N/A	N/A	\$57,635
2013-14	N/A	N/A	N/A	N/A	\$52,681
2014-15	N/A	N/A	N/A	N/A	\$169,756
2015-16	N/A	N/A	N/A	N/A	\$1,022,677
2016-17	N/A	N/A	N/A	N/A	\$940,139
2017-18	298	\$815,999	1	\$600	\$816,599
2018-19	460	\$1,359,754	5	\$19,875	\$1,379,629
2019-20	508	\$1,451,716	7	\$9,902	\$1,461,618
2020-21	658	\$2,259,238	10	\$48,975	\$2,308,212
Total					\$8,663,588



State School Facility Program Funding



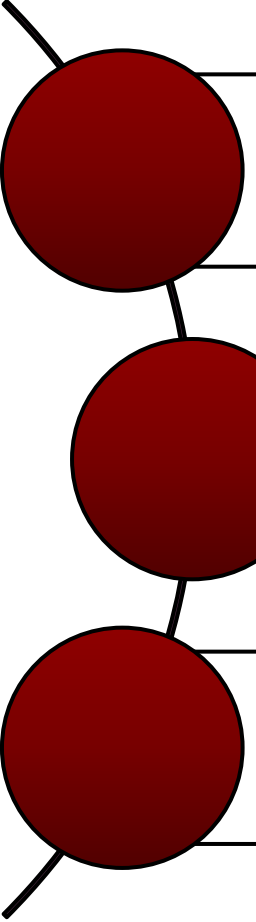
The State School Facility Program is funded through statewide general obligation bonds

The District has been an active participant in the State School Facility Program, receiving approximately \$28 million in matching funds and submitted applications for another \$6.8 million

Currently, there is no State Funding available until California voters approve a new Statewide bond measure

If available in the future, State funding will likely fund only 30%-35% of the cost of the new high school, and funds will likely be received after the project is complete

Local General Obligation Bonds



General Obligation Bonds ("GO Bonds") are authorized by the voters and repaid from an *ad valorem* tax levy on property within the District's boundaries

District voters authorized Measure G (2014) and Measure U (2016) totaling \$102.5 million to fund improvements to San Benito HS, in order to serve the existing student population

Without obtaining a waiver from the State to issue additional GO Bonds, the District is at its upper limit on its legal bonding capacity

San Benito HSD is a Good Fiscal Steward

Tax Rate Utilization				
Agency	Bond Amount as of 4/1/21	Tax Rate*	Maximum Tax Rate**	% of Tax Rate Utilization
San Benito High School District	\$ 96,005,856	\$40.78	\$60.00	68%

*Tax rates are based on \$100,000 of Assessed Value

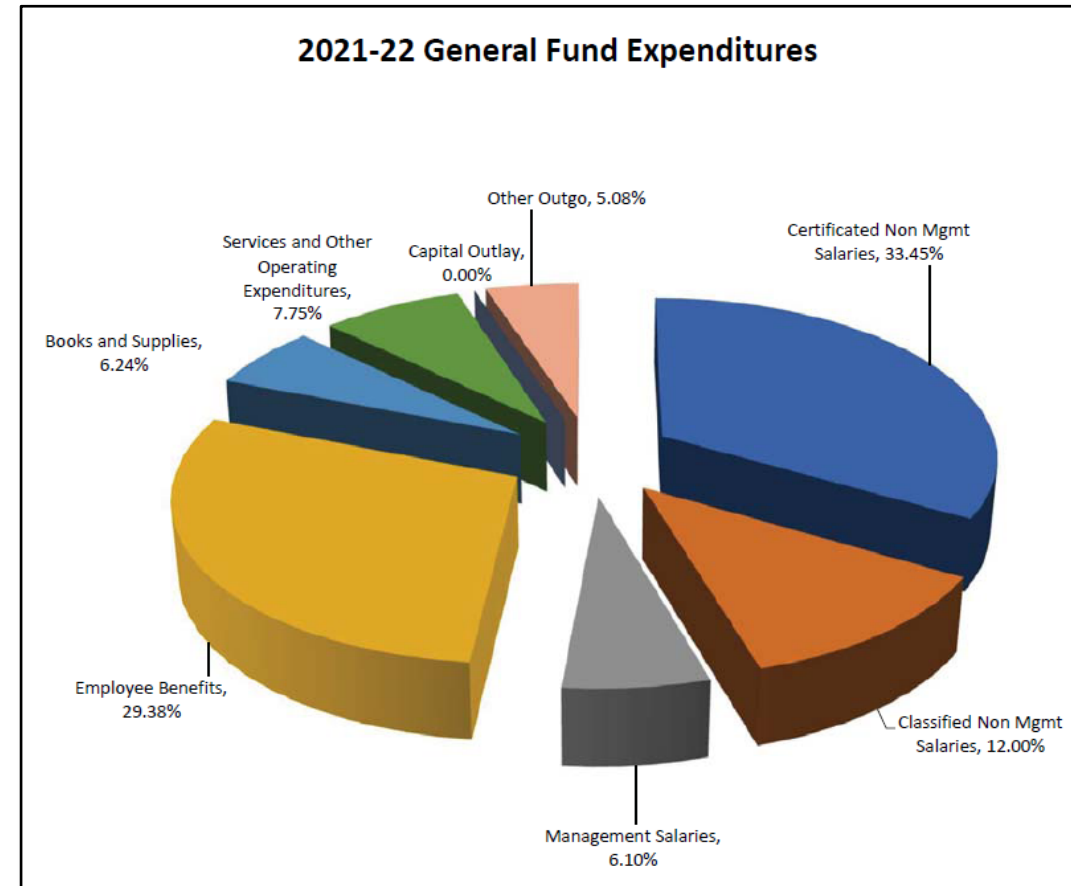
** The District has authorization for 2 separate bonds measures, so the Maximum Tax Rate listed are 2 times the maximum tax rate limitation.

- ▶ The District has maximized its bonding authority while only utilizing 68% of the maximum tax rate cap
- ▶ San Benito HSD is a great investment!



General Fund Support

- ▶ Not a substantial revenue source for facilities as revenues are used to operate schools
 - ▶ Approximately 81% of the District's budget is spent on salaries and benefits
- ▶ Can be used to secure a capital facilities financing when the intended source of repayment is developer fees and/or State funding



Mitigation Agreements are Crucial Partnerships

A negotiated agreement between a school district and landowner/developer is called a “mitigation agreement”

Mitigation agreements may contain provisions for:

Payment of alternative fees

- Per square foot basis
- Per unit basis
- Tiered fees based on size/type of unit

Designation of school site

- Acquisition cost
- Improvements to site

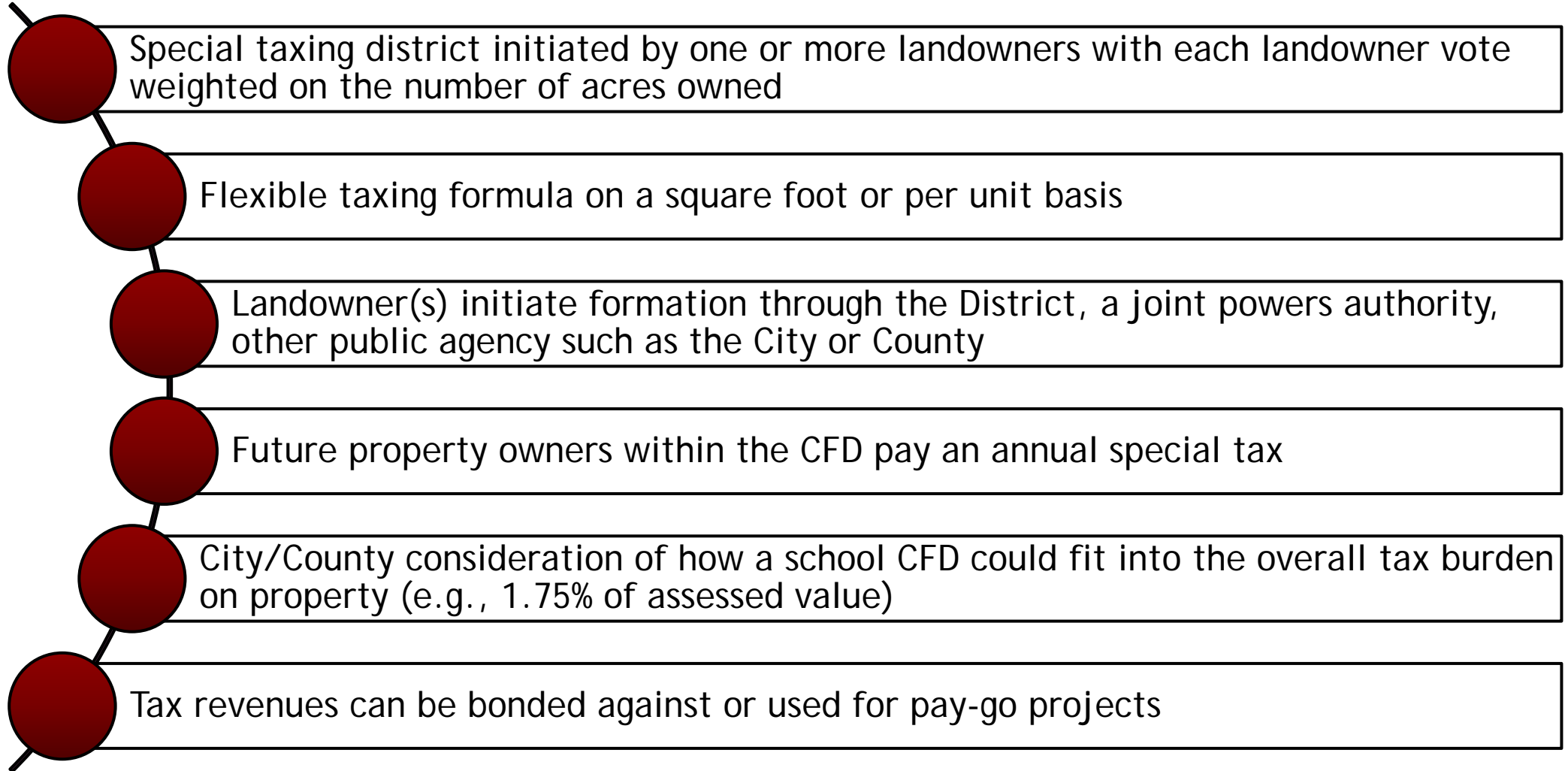
Creation of a Community Facilities District (“CFD”)

- All or a portion of the mitigation fee funded by a future tax on homes

Other conditions

- e.g., traffic patterns, safe routes to school, timing for new school construction, etc.

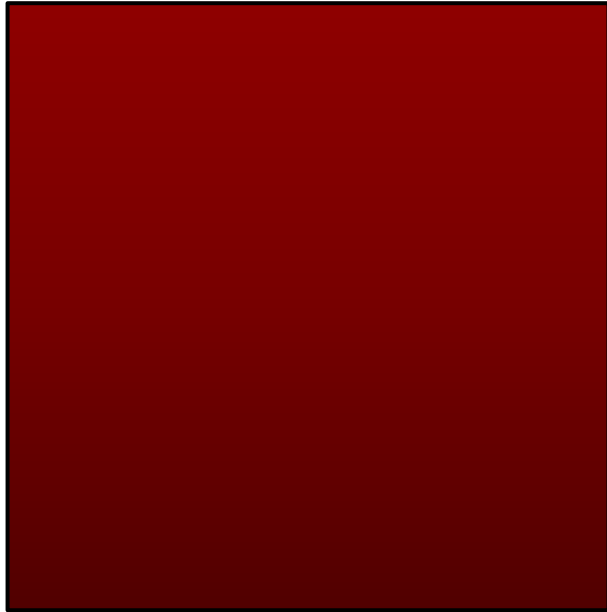
Developer/Landowner Initiated CFD





Residential Development

Shared Goal with the City and County



As the community grows, all public infrastructure grows, including schools.

The District needs assistance from the City and County to ensure developers assist in funding a new high school.

Without Another High School, New Development Will Erode our Educational Quality for Students

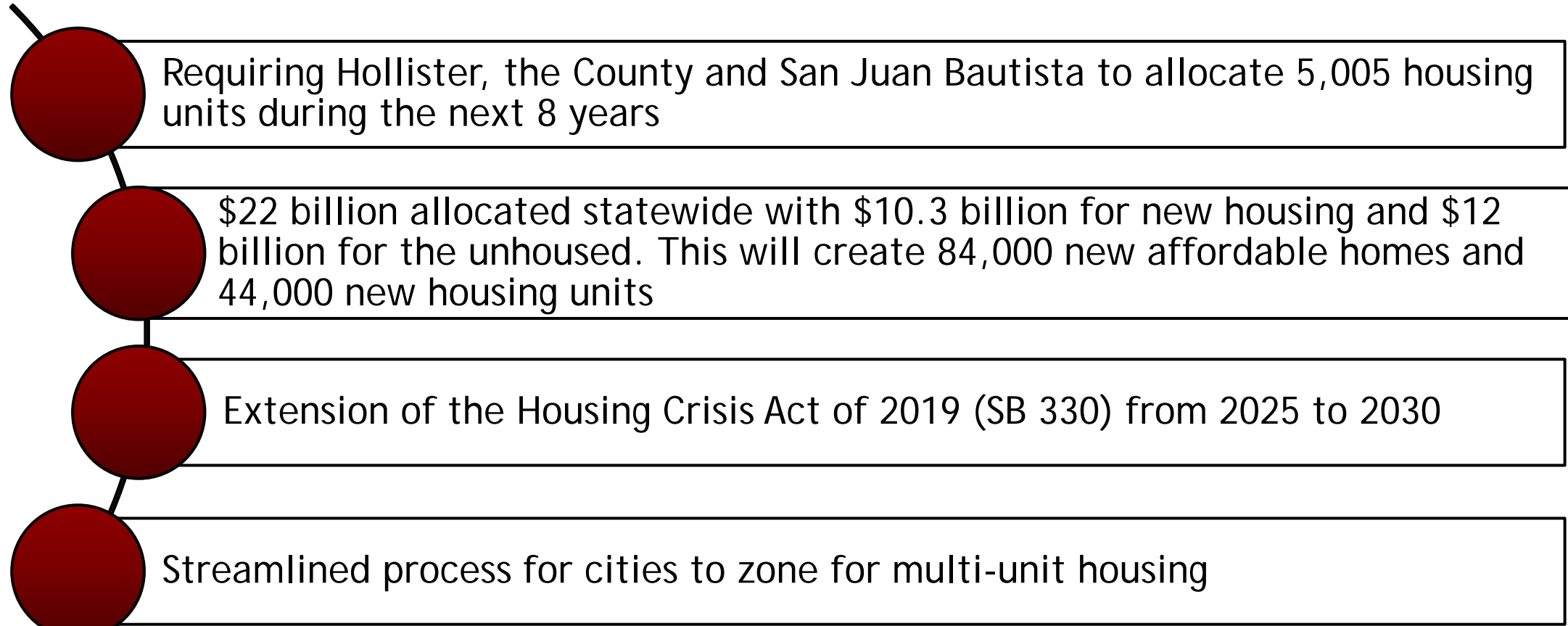
There are 36 different development projects currently identified within the County of San Benito and the City of Hollister at various stages of the development process

An estimated 4,700 new units would be built over the next 10 years

- *There is no room in San Benito High School for any students generated from these new homes. The implication for our programs is significant.*



State Actions Will Boost California's Housing Supply



- *No new money allocated to school districts to expand public facilities that are needed for a growing population.*

The District has Been Active in Voicing Concerns with Development, But it is Not Enough

District focus is on seeking Voluntary Mitigation from projects seeking development approvals

District provides written comment on applications

- Significant impacts such as new developments claiming the same available capacity at High School, traffic and safety concerns

Mandated meeting with developers should occur prior to any City/County land use action

The City of Hollister Is Considering Policies to Assist the District with its Funding Challenge

District is actively involved in the update to the City's General Plan, providing output on policies that support schools

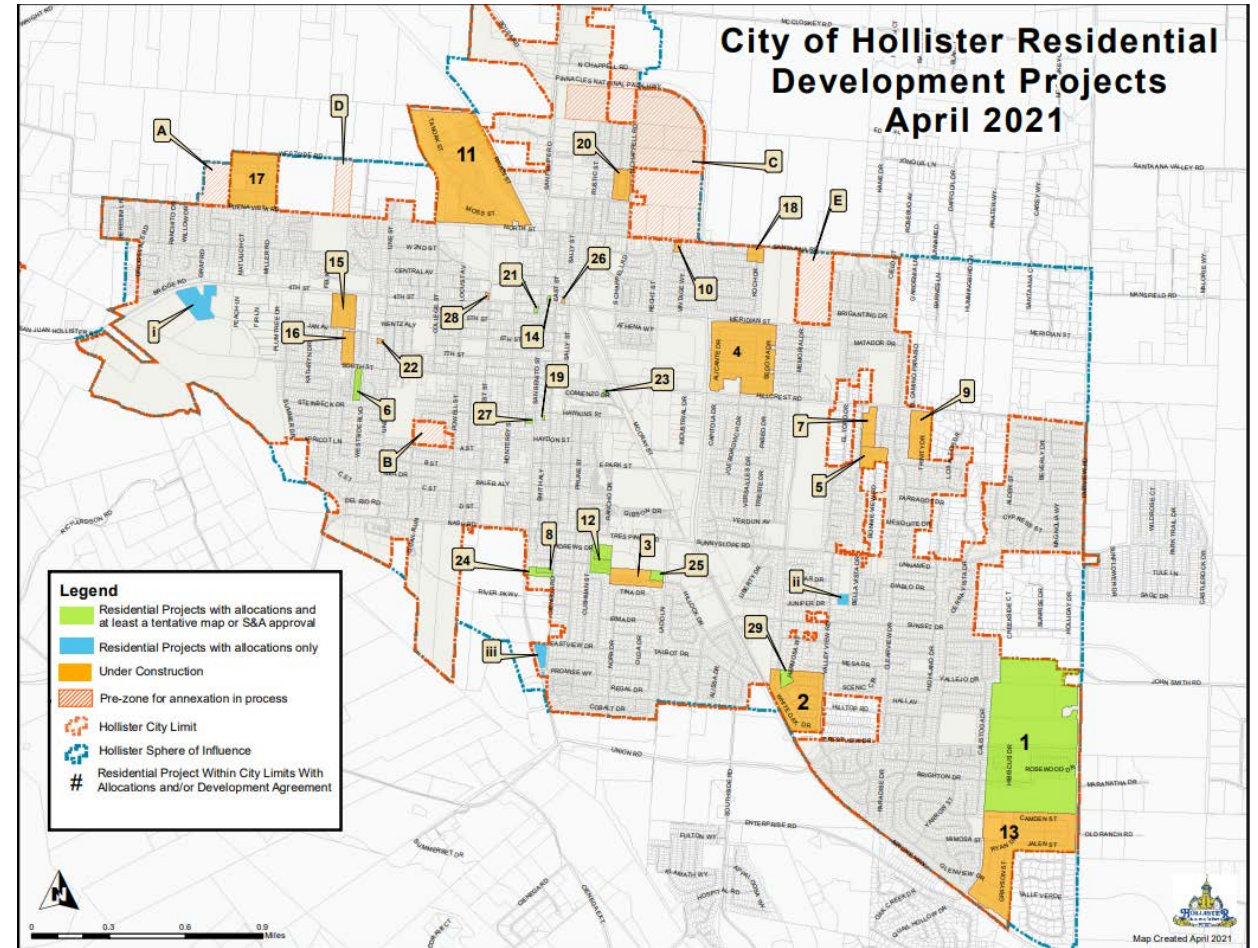
- Additional voluntary school funding when City agrees to additional density or flexibility for projects
- When a specific plan and/or financing plan are required for annexation or re-designation of land for urban use, the plan shall identify means to ensure adequate funding for public schools

➤ *The County could consider similar policies that support schools during the development process.*



How Can the City and County Help?

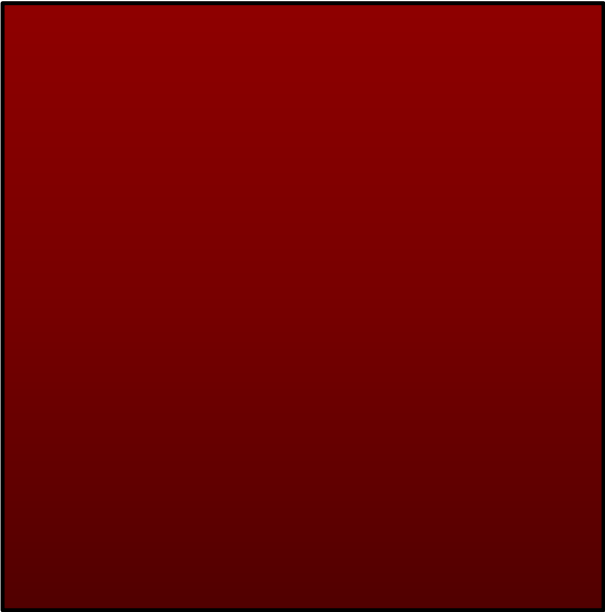
- ▶ Ensure coordination between the City, County, and School Districts so all agencies are aware of the cumulative impacts of residential construction.
- ▶ Consider the funding need for a new high school prior to any land use actions.
- ▶ Provide residents with accurate, complete information regarding high school capacity and the impacts of each new residential development in all project and environmental analyses.
- ▶ Encourage developers to use CFDs to generate funds from future units and condition environmental approvals on the use of CFDs.





Other Concerns

Concerns with Property Tax Bills



Property tax bills show a separate line item for each *series* of bonds issued, leading taxpayers to believe they pay on more than the District's 2 authorized GO Bonds

San Benito County 2021-22 Tax Bill

- ▶ Tax rates on San Benito HSD Bonds should be consolidated by bond measure, similar to Gavilan CCD.

- ▶ Gavilan CCD has 7 series of bonds from two bond measures combined into 2 line items

San Benito County Detail of Taxes		
Taxing Entity	Rates (%)	Amount
LAND, IMPROVMENTS, PERSONAL PROPERTY		
GENERAL PROPERTY TAX	1.000000	5,000.38
1 → GAVILAN 3-2-04 D.S.	0.017900	89.50
2 → GAVILAN D.S. 11-6-18	0.024100	120.50
HESD 2014 SERIES B	0.013506	67.54
HESD 2015 SERIES A	0.007580	37.90
HESD 2016 SERIES A	0.006801	34.00
HESD 2016 SERIES B	0.017744	88.72
1 → SAN BENITO HSD BOND #2015	0.003068	15.34
2 → SBHS BOND E2014 - #17	0.009013	45.06
3 → SBHS BOND E2016 - #17	0.007166	35.84
4 → SBHS BOND E2016 - #18	0.017783	88.92
5 → SBHS E2014 2021 RFND	0.003751	18.76
SB HOSPITAL BOND #1024	0.019376	96.88
SB WATER-SAN FELIPE (LAND VALUE ONLY)	0.250000	380.78
SBC MOSQUITO ABATEMENT	DIRECT CHARGE	11.22
ADVANCED LIFE SUPPORT	DIRECT CHARGE	20.00
MELLO ROOS DIST 2	DIRECT CHARGE	466.28
LANDSCAPE & LIGHTING	DIRECT CHARGE	51.24
TOTAL	1.397788	6,668.86
TAXES DUE		6,668.86

Based on Net Taxable Value of \$500,038



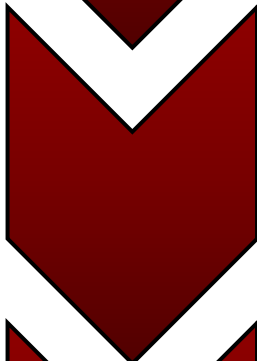


Moving Forward

Summary



San Benito High School is at capacity and does not have space to accommodate students from new development



The District wants to work with the County and City to create the public infrastructure needed to accommodate future students



Without the assistance from the land use agencies and development community, the High School District will not be able to adequately serve students

Recommendations

- ▶ Ensure project and environmental documents include an accurate picture of the high school capacity and the impacts of any new residential development so the public is aware.
- ▶ Adopt the approaches to school facility mitigation proposed in the City of Hollister updated General Plan, including:
 - ▶ Granting development incentives for projects that voluntarily provide additional school funding
 - ▶ Requiring preparation of a Specific Plan, Financing Plan or similar document as a precondition of project approval, that identifies the means for funding all public facilities, including schools
- ▶ Condition environmental approvals and encourage developers to use CFDs to fund school needs and require a meeting prior to any land use action.
- ▶ Consolidate bond series on a single line on tax bills to eliminate taxpayer confusion.

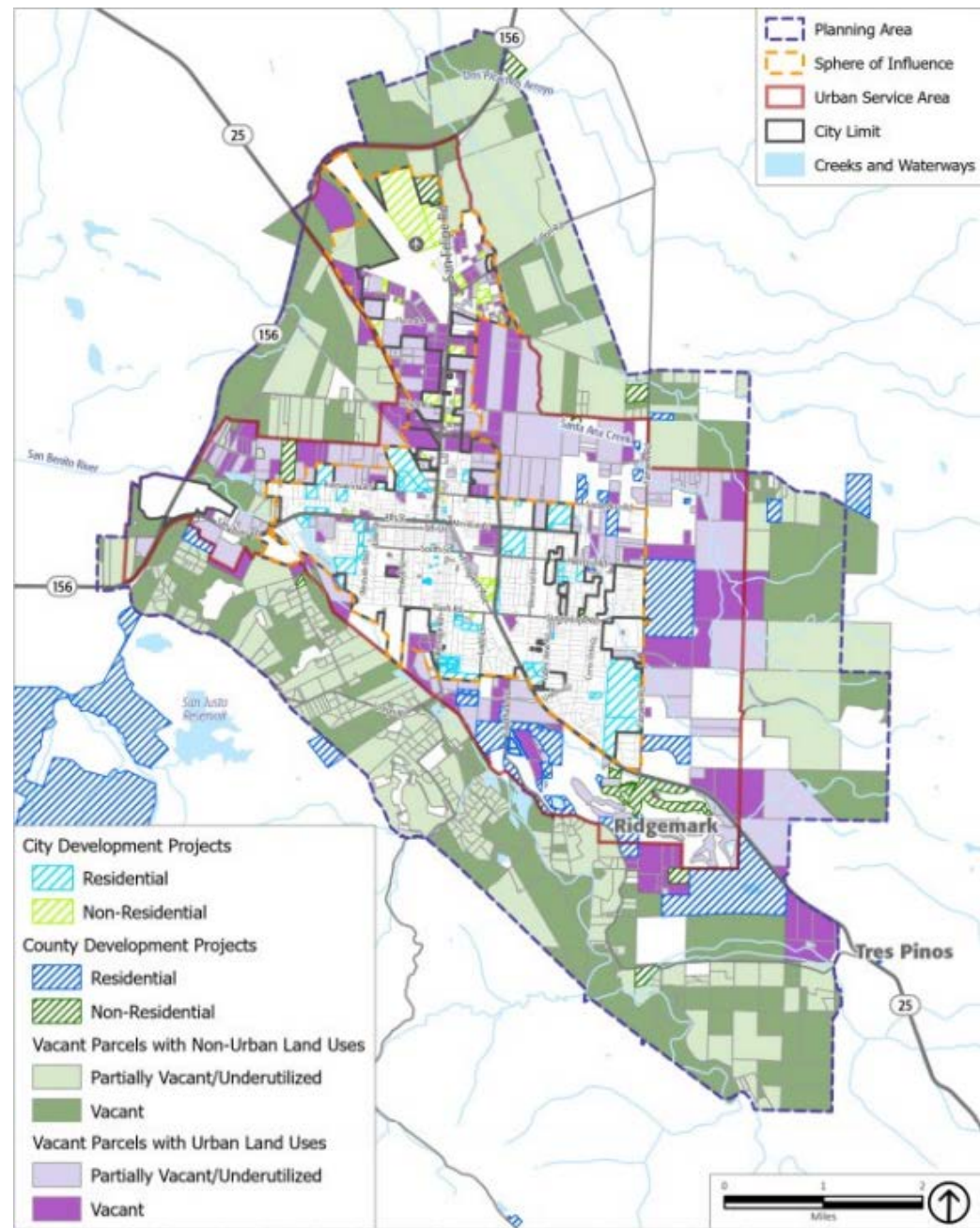


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Questions/Discussion

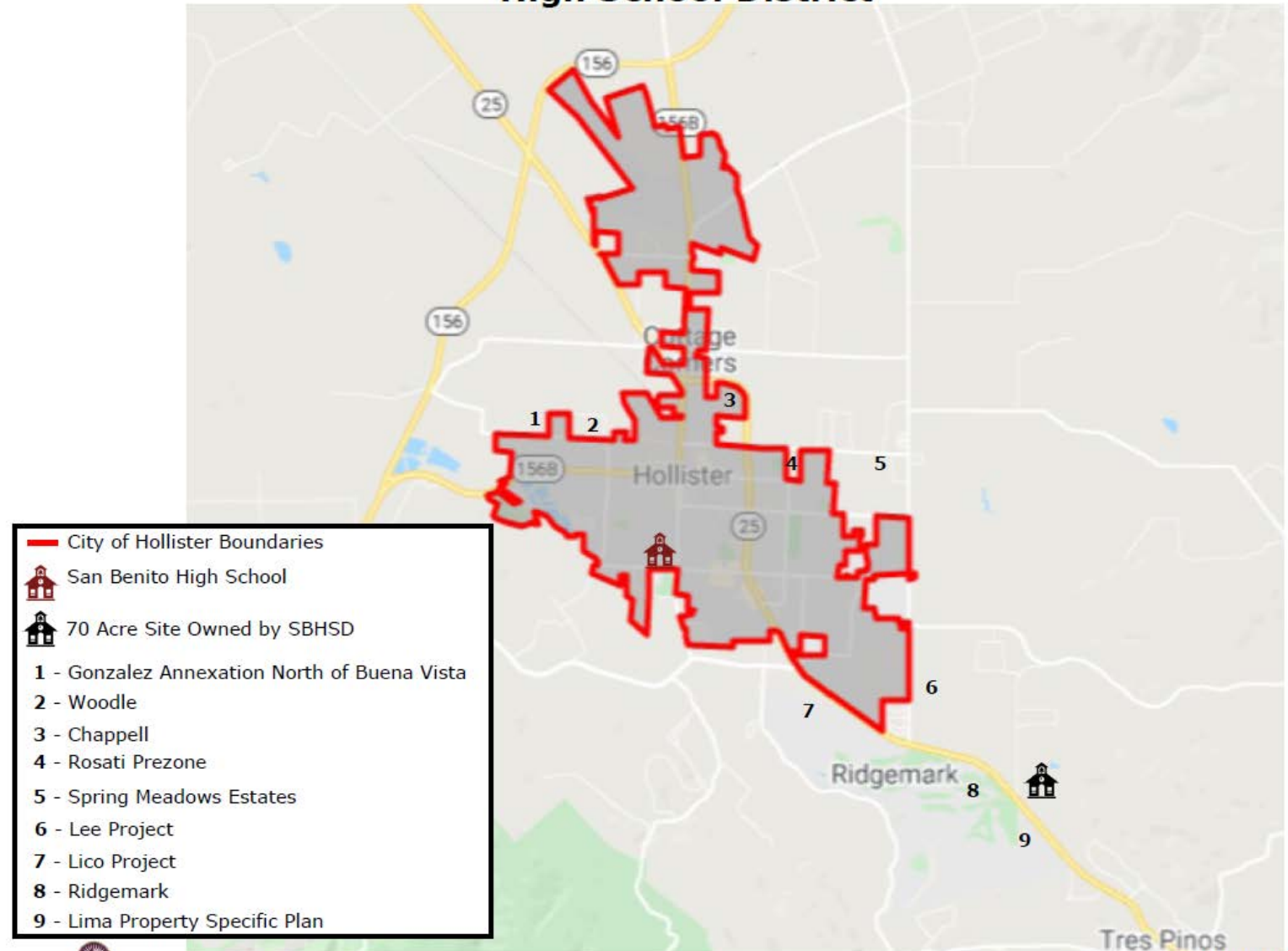
Appendix





Entitlement Projects in the City of Hollister and San Benito High School District

- Recent entitlement projects could yield 3,114 residential units



Gavilan Joint CCD Has 7 SERIES of Bonds From 2 Bond Measures

Outstanding General Obligation Bond Issuances Gavilan Joint Community College District			
Issuance	Principal Amount	Principal Outstanding	Date of Delivery
Election of 2004, Series D	\$28,000,000	\$305,000	May 12, 2011
2012 Refunding Bonds	\$12,120,000	\$6,525,000	April 3, 2012
2012 Refunding Bonds, Series B	\$11,800,000	\$10,615,000	April 19, 2012
2015 Refunding Bonds	\$42,320,000	\$39,700,000	August 20, 2015
2017 Refunding Bonds	\$27,045,000	\$25,935,000	December 20, 2017
Election of 2018, Series A	\$26,600,000	\$22,325,000	April 18, 2019
Election of 2018, Series A-1	\$11,400,000	\$7,725,000	April 18, 2019



Santa Clara County Tax Bill

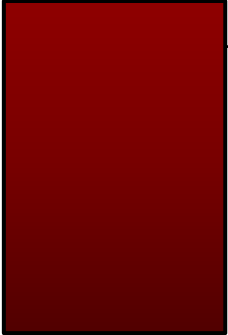
- ▶ Other counties group multiple series of bonds into a single tax rate category.
 - ▶ It would eliminate taxpayer confusion if San Benito County did so as well.

Santa Clara County Detail of Taxes			
Taxing Agency	Value	Rates (%)	Amount
LAND, IMPROVMENTS, PERSONAL PROPERTY			
1% MAXIMUM LEVY	1,205,432	1.000000	12,054.32
CO BOND 2008 HOSP FAC	1,205,432	0.006100	73.53
CO RETIREMENT LEVY	1,205,432	0.038800	467.70
CO HOUSING BOND 2016	1,205,432	0.012660	152.60
→ COMM COLLEGE BONDS	1,205,432	0.030400	366.42
→ ELEM OR UNIF SCH BONDS	1,205,432	0.101400	1,222.28
TOTAL ASSESSED VALUE TAXES		1.189360	14,336.85
LAND AND IMPROVEMENTS			
SCWWD-STATE WATER PROJ	1,212,432	0.005100	61.83
TOTAL LAND & IMPROVEMENT TAXES		0.005100	61.83
TAXES DUE			14,398.68

Excludes Direct Charges



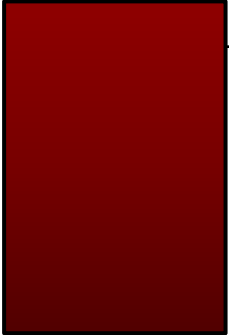
City of Hollister CFD No. 2



Formation Date -
July 6, 1995



Purpose - Formed
for Police and Fire
Services



Collections for FYE
June 30, 2020 -
\$789,684

City of Hollister CFD No. 2

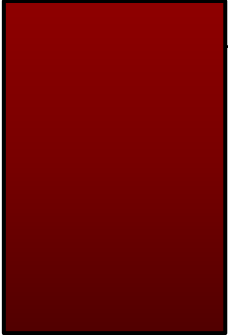
COMMUNITY FACILITIES DISTRICT NO. 2 (Police and Fire Services)

FISCAL YEAR 2021/22 SPECIAL TAX RATES

Base Year for CFD No. 2 Tax	FY 21/22 Maximum Tax Rate
FY 1995	\$505.62
FY 1999	\$466.28
FY 2000	\$449.20
FY 2003	\$397.78



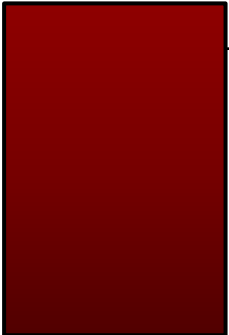
City of Hollister CFD No. 4



Formation Date –
July 21, 2014



Purpose – Formed
for Public Facilities



Collections for FYE
June 30, 2020 -
\$225,008

City of Hollister CFD No. 4

COMMUNITY FACILITIES DISTRICT NO. 4 (Public Services)

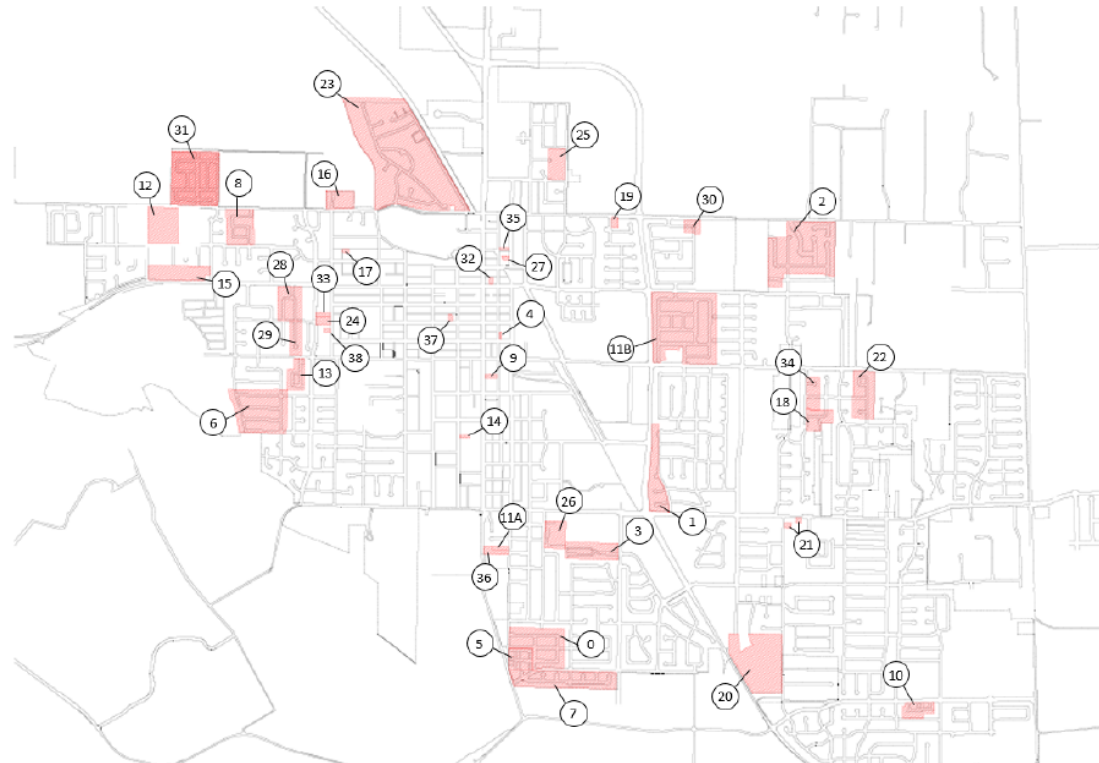
FISCAL YEAR 2021/22 SPECIAL TAX RATES

Tax Zone Number	Tax Per DU	Tax per SFD	Tax per MF	Tax Per Acre
1	\$ 248.02	\$ 248.02	\$ 248.02	\$ 1,730.07
2	\$ 341.75	\$ 341.75	\$ 341.75	\$ 2,411.99
3	\$ 238.40	\$ 238.40	\$ 238.40	\$ 2,295.19
4	\$ 83.38	\$ 83.38	\$ 83.38	\$ 2,506.11
5	\$ 129.18	\$ 129.18	\$ 129.18	\$ 1,713.45
6	\$ 481.51	\$ 481.51	\$ 481.51	\$ 3,721.74
7	\$ 458.02	\$ 458.02	\$ 458.02	\$ 5,714.16
8	N/A	\$ 123.31	\$ 77.51	N/A
9	\$ 211.39	\$ 211.39	\$ 211.39	\$ 1,789.43
10	\$ 375.81	\$ 375.81	\$ 375.81	\$ 1,716.86
11	\$ 187.91	\$ 187.91	\$ 187.91	\$ 2,595.69
12	N/A	N/A	N/A	\$ 2,721.57
13	\$ 557.47	\$ 557.47	\$ 557.47	\$ 2,665.12
14	N/A	\$ 945.77	\$ 719.83	\$ 7,918.62
15	\$ 521.84	\$ 521.84	\$ 521.84	\$ 2,665.12
16	N/A	\$ 688.48	\$ 564.60	\$ 11,541.91
17	N/A	\$ 790.44	\$ 647.92	\$ 5,650.36
18	N/A	\$ 285.04	\$ 158.96	\$ 3,420.48
19	N/A	\$ 1,044.50	\$ 835.60	\$ 4,575.20
20	Reserved - (Tax Rates to be determined upon annexation)			
21	N/A	\$ 1,117.56	\$ 894.25	\$ 7,241.49



City of Hollister CFD No. 4

EXHIBIT A: BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 4



**BOUNDARIES OF
COMMUNITY FACILITY DISTRICT NO. 4**
CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA PREPARED
BY THE CITY OF HOLLISTER PLANNING DEPARTMENT, DECEMBER 2020

ANNEXATION NO.	SUBDIVISION	TRACT NO.
Formation (0)	RAJKOVICH	312
1	TUSCAN SUN	314
2	THE VILLAGES	313
3	BELLA CENTRO	318
4	DEL CURTO FOURPLEXES	
5	SADDELBROOK	326
6	LADD RANCH	319
7	APRICOT LANE	323
8	ORCHARD PARK	324
9	DEL CURTO - OLD FLOUR MILL	333
10	WALNUT PARK 14	142
11 A	1640 CIENEGA ROAD	
11 B	CERRATO	315
12	ORCHARD RANCH	325
13	THE COTTAGES	327
14	1051 MONTEREY STREET	
15	VISTA DE ORO	332
16	CHISPA BUENA VISTA	
17	849 CANAL ALLEY	
18	EL CERRO	336
19	491 SANTA ANA	
20	SILVER OAKS	
21	CORIA FOURPLEXES	
22	HILLCREST MEADOWS	331
23	ALLENDALE	339
24	CHISPA SUNRISE SENIOR APTS	
25	MAPLE PARK	329
26	LOS PINAROS	343
27	240 GALLY STREET	
28	SOLORIO PARK I	347
29	SOLORIO PARK II	348
30	811 SANTA ANA RD	346
31	MIRABELLA II	341
32	LYNN LAKE 220 4TH STREET	
33	540 LINE STREET	
34	CERRO VERDE	350
35	169 EAST ST	
36	1650 CIENEGA RD	
37		
38	418, 424, 426 6TH STREET	

CITY CLERK'S STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF HOLLISTER COMMUNITY FACILITIES DISTRICT NO. 4 CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF HOLLISTER, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2019 BY ITS RESOLUTION NO. _____ FILED IN THE OFFICE OF THE HOLLISTER CITY CLERK THIS _____ DAY OF _____.

CHRISTINE BLACK, MMC, CITY CLERK

CITY ENGINEER'S STATEMENT

THIS DIAGRAM WAS PREPARED UNDER THE DIRECTION OF THE CITY ENGINEER, AND REPRESENTS THE DISTRICT BOUNDARY AS FILED ON _____ IN THE HOLLISTER CITY CLERK'S OFFICE.

DANNY HILLSTOCK, P.E., CITY ENGINEER
R.C.E. 10467 EXP. 09/2025

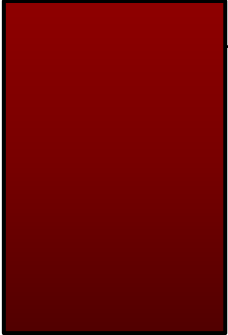
COUNTY RECORDERS STATEMENT

FILED THIS _____ DAY OF _____, 2019 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE _____ IN THE OFFICE OF THE RECORDER IN THE COUNTY OF SAN BENITO, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF SAN BENITO



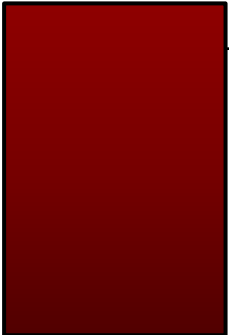
City of Hollister CFD No. 5



Formation Date –
June 18, 2018



Purpose – Formed
for Police and Fire
Services



Collections for FYE
June 30, 2020 -
\$19,436

City of Hollister CFD No. 5

COMMUNITY FACILITIES DISTRICT NO. 5 (Police and Fire Services)

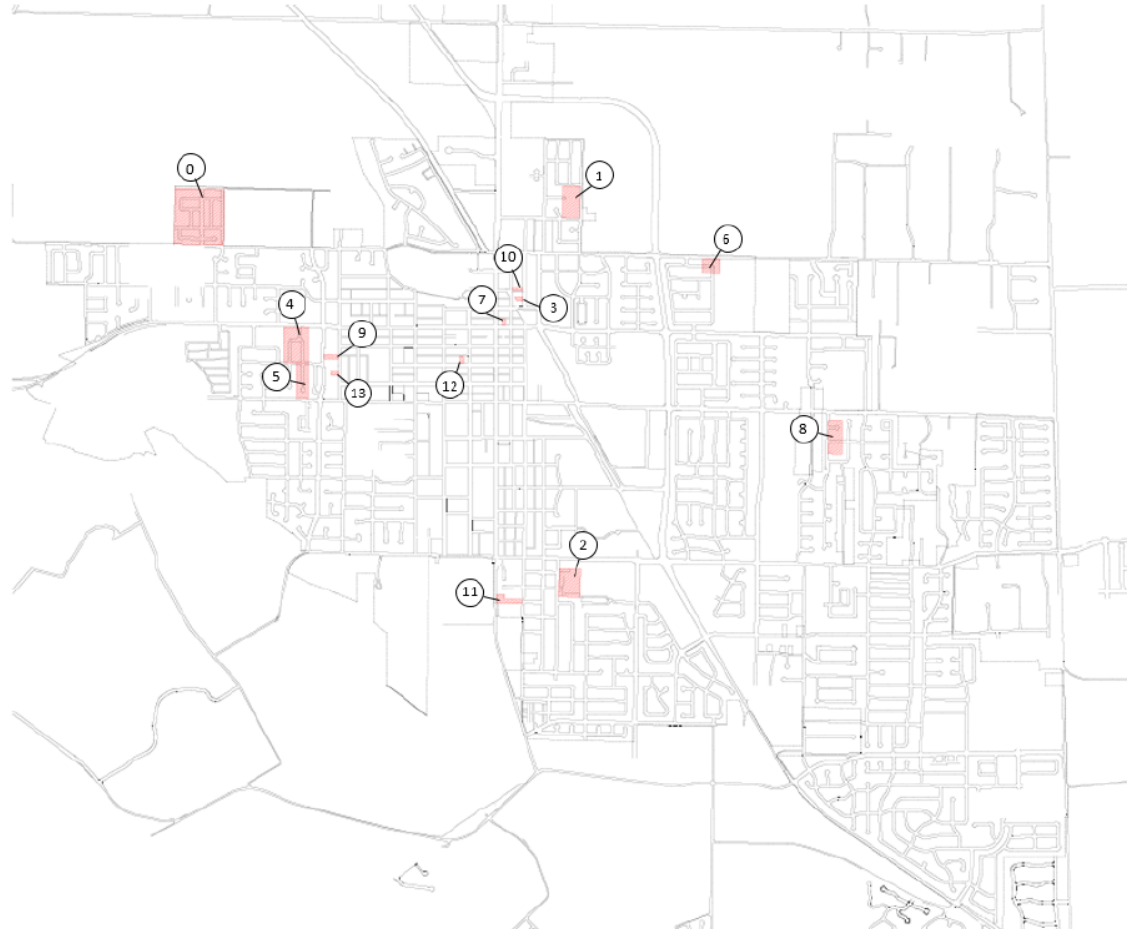
FISCAL YEAR 2021/22 SPECIAL TAX RATES

Land Use Class	Description	Fiscal Year 2021/22 Maximum Special Tax per Unit
1	Residential Property	\$846.32 per Unit
2	Multi-Family Property	\$693.44 per Unit
No Tax for Undeveloped Property		
No Tax for Tax-Exempt Property		



City of Hollister CFD No. 5

EXHIBIT A: BOUNDARIES OF COMMUNITY FACILITIES DISTRICT No. 5



BOUNDARIES OF COMMUNITY FACILITY DISTRICT NO. 5

CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA PREPARED
BY THE CITY OF HOLLISTER PLANNING DEPARTMENT, DECEMBER 2020

ANNEXATION NO.	SUBDIVISION	TRACT NO.
FORMATION (0)	MIRABELLA II	341
1	MAPLE PARK	329
2	LOS PINOS	343
3	240 SALLY STREET	
4	SOLORO PARK I	347
5	SOLORO PARK II	348
6	811 SANTA ANA ROAD	346
7	220 4TH STREET	
8	CERRO VERDE	350
9	540 LINE STREET	
10	169 EAST STREET	
11	1650 CIENEGA ROAD	
12	418, 424, 426 6TH STREET	
13	638 LINE STREET	

CITY CLERK'S STATEMENT

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF HOLLISTER COMMUNITY FACILITIES DISTRICT NO. 5 CITY OF HOLLISTER, COUNTY OF SAN BENITO, STATE OF CALIFORNIA WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF HOLLISTER, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2018 BY ITS RESOLUTION NO. _____, IN THE HOLLISTER CITY CLERK'S OFFICE.

THOMAS A. GRAVES, OMC, CITY CLERK

CITY ENGINEER'S STATEMENT

THIS DIAGRAM WAS PREPARED UNDER THE DIRECTION OF THE CITY ENGINEER, AND REPRESENTS THE DISTRICT BOUNDARY AS FILED ON _____, IN THE HOLLISTER CITY CLERK'S OFFICE.

DAVID RUBIO, P.E., INTERIM CITY ENGINEER CITY OF HOLLISTER RICE NO. 57801 EXP. 12/31/2017

COUNTY RECORDERS STATEMENT

FILED THIS _____ DAY OF _____, 2018 AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AT PAGE _____ IN THE OFFICE OF THE RECORDER IN THE COUNTY OF SAN BENITO, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF SAN BENITO

