

# **SixTen and Associates**

## **MANDATE REIMBURSEMENT SERVICES**

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**PROGRAM: 277/96 SCHOOL FACILITIES IMPROVEMENT  
DISTRICTS (K-14)**

**SFID 1.9**

### **EDUCATION CODE REQUIREMENTS**

#### **BONDS OF SCHOOL FACILITIES IMPROVEMENT DISTRICTS**

Added by Chapter 277, Statutes of 1996, Section 2:

##### Article 1. General Provisions

If the district that has a community facilities district formed under the "Mello-Roos Community Facilities Act of 1982," that has as one of its purposes the construction of school facilities within a portion of the territory of the school district, shall, as may be necessary, proceed under the "Bonds of School Facilities Improvement Districts," pursuant to Education Code Section 15301, subdivision (a).

Proceed without meeting the requirements of previous Duty (a), if the governing board determines it is necessary and in the best interest of the school district to form a school facilities improvement district to finance any or all of the improvements set forth in Section 15302, Duty (g), pursuant to Education Code Section 15301, subdivision (c).

Make a finding that the overall cost of other school facilities financing options available to the school district, including, but not limited to the "Mello-Roos Communities Facilities Act of 1982," pursuant to Education Code Section 15301, subdivision (c).

Define the boundaries of the school facilities improvement district to include any portion of territory within the jurisdiction of the school district, except that the boundaries may not include all or a portion of the territory of the community facilities district described in Duty (a), pursuant to Education Code Section 15301, subdivision (c).

Comply with the filing requirements established by Section 54902 of the Government Code (providing that on or before December 1 of the year immediately preceding the year in which the assessments or taxes are to be levied, the statement shall be filed with the auditor of each levying county, and the statement and the map or plat shall be filed with each assessor whose roll is used for the levy and with the State Board of Equalization in Sacramento), pursuant to Education Code Section 15301, subdivision (d).

Specifically identify any property, located within the school district, that is not located within the improvement district established by the school district or community college district under this chapter, pursuant to Education Code Section 15301, subdivision (d).

Issue general obligation bonds for the following purposes, if the purpose of the bonds is to benefit the land within the school facilities improvement district consistent with any of the following:

- (1) To purchase real property upon which to construct school facilities, pursuant to Education Code Section 15302, subdivision (a);
- (2) To build or purchase school facilities, pursuant to Education Code Section 15302, subdivision (b);
- (3) To make alterations or additions to the school facilities other than those necessary for ordinary maintenance, operation, or repairs, pursuant to Education Code Section 15302, subdivision (c);

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(4) To repair, restore, or rebuild any school facilities damaged, injured, or destroyed by fire or other public calamity, pursuant to Education Code Section 15302, subdivision (d);

(5) To supply playgrounds with furniture, equipment, or necessary apparatus of a permanent nature, pursuant to Education Code Section 15302, subdivision (e);

(6) To permanently improve school grounds, pursuant to Education Code Section 15302, subdivision (f);

(7) To refund any valid outstanding indebtedness of the school facilities improvement district that is evidenced by bonds, pursuant to Education Code Section 15302, subdivision (g);

(8) To carry out the projects or purposes authorized in Section 17577 (granting the governing board of each school district the power to provide sewers and drains adequate to treat and/or dispose of sewage and drainage on or away from each school property), the constructing of which may be paid from the building fund, including any bond moneys therein), pursuant to Education Code Section 15302, subdivision (h); and/or

(9) To demolish or raze any school building with the intent to replace it with another school building, whether in the same location or in any other location, pursuant to Education Code Section 15302, subdivision (i).

Provide the information to allow the board of supervisors of the county in which the superintendent of schools having jurisdiction over the school district or community college district in which the school facilities improvement district is located or, if a school facilities improvement district lies in two or more counties, the board of supervisors for those counties, to adopt by a majority vote this chapter before it becomes operative and applicable to any county or counties, pursuant to Education Code Section 15303.

**Article 2. Formation of a District**

Adopt a resolution of intention that states all of the following:

(1) The intention of the governing board to form the proposed school facilities improvement district, pursuant to Education Code Section 15320, subdivision (a);

(2) The purpose for which the proposed school facilities improvement district is to be formed, consistent with the requirements set forth in Section 15302, Article 1, Duty (g), pursuant to Education Code Section 15320, subdivision (b);

(3) The estimated cost of the school facilities improvement project, pursuant to Education Code Section 15320, subdivision (c);

(4) That any taxes levied for the purpose of financing the general obligation bonds issued to finance the project shall be levied exclusively upon the lands in the proposed school facilities improvement district, pursuant to Education Code Section 15320, subdivision (d);

(5) That a map showing the exterior boundaries of the proposed school facilities improvement district is on file with the governing board of the school district and is available for inspection by the public, pursuant to Education Code Sections 15301, subdivision (b), and 15320, subdivision (e);

(6) The time and place for a hearing by the governing board on the formation of the proposed school facilities improvement district, pursuant to Education Code Section 15320, subdivision (f); and

(7) That any interested persons, including all persons owning lands in the school district, or in the proposed school facilities improvement district, may appear and be heard, pursuant to Education Code Section 15320, subdivision (h).

Provide notice of the hearing by publishing a copy of the resolution of intention in a

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newspaper of general circulation, at least 14 days prior to the time fixed for the hearing, and must post a copy of the resolution in three public places within the proposed school facilities improvement district for at least 14 days prior to the time fixed for the hearing, pursuant to Education Code Section 15321.

Hold the hearing provided for by resolution of intention at the time and place fixed by that resolution, pursuant to Education Code Section 15322.

At the hearing, adopt a resolution proposing modification, consistent with Section 15302, Article 1, Duty (g), of the purpose stated in the resolution of intention, pursuant to Education Code Section 15323.

Describe, in the district's resolution proposing modification, the proposed modifications, stating the change, if any, in the estimated cost of carrying out the purpose, and fix a time and place for hearing, pursuant to Education Code Section 15323.

Publish the resolution proposing the modifications to the resolution of intention once in the same newspaper in which the resolution of intention was published at least 14 days prior to the date of hearing on the proposed modifications, pursuant to Education Code Section 15324. Hold the hearing on any proposed modifications at the same time and place as any continued hearing on the resolution of intention and both hearings shall be held and conducted concurrently, pursuant to Education Code Section 15325.

At the conclusion of the hearing on the resolution of intention and of the hearing, if any, upon proposed modifications, order the school facilities district formed for the purpose and with the boundaries described in the resolution of intention, and if relevant, the resolution proposing modifications, pursuant to Education Code Section 15326.

State, in the district's resolution ordering the school facilities improvement district formed, the estimated cost of carrying out the purpose described in the resolution, and number and designate the school facilities improvement district substantially as "School Facilities Improvement District of the School District," pursuant to Education Code Section 15326.

Provide the governing board the same rights, powers, duties and responsibilities with respect to the formation and government of school facilities improvement district as the governing board has with respect to the school district, pursuant to Education Code Section 15327.

**Article 3. Financing the Bonds**

Must submit, within 30 days after the end of each fiscal year, a report containing the information pertaining to an election under Article 4, "General Provisions for Bond Elections," to the county superintendent of schools who has jurisdiction over the school district along with:

The total amount of the bond issue, bonded indebtedness, or other indebtedness involved, pursuant to Education Code Section 15336, subdivision (a);

The percentage of qualified electors who are residents of the school facilities improvement district who voted at the election, pursuant to Education Code Section 15336, subdivision (b);

The results of the election, with the percentage of votes cast for and against the proposition involved, pursuant to Education Code Section 15336, subdivision (c).

**Article 4. General Provisions for Bond Elections**

After adopting the resolution ordering the formation of the school facilities improvement

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district, provide for and call a special bond election within the school facilities improvement district to submit to the voters of the school facilities improvement district a proposition of whether or not an indebtedness of the district shall be incurred and bonds issued therefore in an amount not exceeding the estimate stated in the resolution ordering the school facilities improvement district formed, pursuant to Education Code Section 15340, subdivision (a). Not call a bond election within 45 days before a statewide election or within 45 days after a statewide election unless conducted at the same time as the statewide election, pursuant to Education Code Section 15341.

Unite and vote upon any purposes enumerated in Section 15302, Article 1, Duty (g), in a single proposition, pursuant to Education Code Section 15342.

Conduct the bond election in accordance with the Elections Code except as provided by the following:

As otherwise provided under Chapter 2 "Bonds of School Facilities Improvement Districts," pursuant to Education Code Section 15343, subdivision (a);

That the formal notice of the election shall contain the items specified in Section 5361, pursuant to Education Code Section 15343, subdivision (b).

No election shall be held under the provisions of this section in any school facilities improvement district for a period of 90 days after an election in the same school facilities improvement district, pursuant to Education Code Section 15343, subdivision (c).

Have the ballots prepared to state, "Bonds--Yes" and "Bonds--No," or words of similar import, a brief statement of the proposition, setting forth the amount of the bonds to be voted upon, the maximum rate of interest, the purposes for which the proceeds of the sale of the bonds are to be used, and any other forms and details as required by the ballot provisions of Part 4 of the Government Code, pursuant to Education Code Sections 15346 and 15347.

If it appears from the certificate of election results that two-thirds of the votes cast by the voters voting on the proposition of issuing bonds of the school facilities improvement district are in favor of issuing the bonds, enter the fact upon the governing board's minutes, pursuant to Education Code Section 15349.

Certify to the board of supervisors of the county whose superintendent of schools has jurisdiction over the school district, all proceedings had in the premises, and the county superintendent of schools shall send a copy of the certificate of election results to the board of supervisors of the county, pursuant to Education Code Section 15349.

Certify the proceedings relating to the authorization of bonds of a school facilities improvement district that is located within a joint school district of any type to the board of supervisors of the county whose superintendent of schools has jurisdiction over the school district in which the school facilities improvement district exists, pursuant to Education Code Section 15349.1.

**Article 5. Issuance and Sale of Bonds**

a. Adopt a resolution prescribing the total amount of bonds to be sold, and, as may be necessary, prescribe the maximum interest rate, not to exceed 8 percent, and the time or times when the whole or any part of the principal of the bonds shall be payable, but not more than 25 years from the date of the bonds before the board of supervisors offers bonds of a school facilities improvement district for sale, pursuant to Education Code Sections 15350, 15351, 15354 and 15355.

b. If the governing board receives satisfactory bids, award the bonds offered for sale to the bidder whose bid will result in the lowest net interest cost for the group or for the bonds of

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any district within the group, pursuant to Education Code Section 15351.

c. Issue the bonds in the name of the school facilities improvement district and designate them as "Bonds of the School Facilities Improvement District of the School District" and each bond shall state that the tax for the payment thereof shall be limited to annual taxes levied upon and collected from the lands within the school facilities improvement district, pursuant to Education Code Section 15352.

d. By action of the governing board, prepare, or have prepared, bond brochures to serve as a prospectus for bond buyers to assist in the satisfactory sale of the bonds, the expense of the brochures shall be payable out of the funds of the district, but only after the issuance of the bonds to be sold has been approved by the electors of the school facilities improvement district pursuant to Article 4, "General Provisions for Bond Elections," pursuant to Education Code Section 15359.2, subdivision (a).

e. By action of the governing board, expend funds of the school facilities improvement district for the purposes of advertising the availability of the bonds for purchase in any publication or newspaper that in the opinion of that governing board will give notice to prospective bond buyers that the bonds are available for purchase by bond buyers, pursuant to Education Code Section 15359.2, subdivision (b).

f. Proceed pursuant to Chapter 1.5 "Strict Accountability in Local School Construction Bonds Act of 2000," and subject to the requirements therein on behalf of a school facilities improvement district that is created by and under the exclusive authority of the school district under this chapter, pursuant to Education Code section 15359.3.

**Article 8. Cancellation of Unsold Bonds**

Petition the board of supervisors that has jurisdiction of the issuance and sale of the bonds to cause the unsold bonds to be canceled if any bonds authorized under this chapter have not been offered for sale for one year from the date of the election at which they were authorized or remain unsold for a period of six months after having been offered for sale in the manner prescribed by the board of supervisors, pursuant to Education Code Section 15380.

Have the petition signed by a majority of the governing board's members before the board of supervisors will fix a time for a hearing, not more than 30 days after receiving the petition, pursuant to Education Code Section 15381.

Petition the board of supervisors to cancel the remaining authorization of that district to issue and sell bonds resulting from any particular school bond election after the sale of at least 90 percent of the bonds authorized at the election if the amount of the remaining authorization is not more than twenty-five thousand dollars (\$25,000) and in the opinion of the governing board the sale of the remaining bonds would not be economically justified, pursuant to Education Code Section 15384.

**Article 9. Purchase of Bonds by Issuing School Districts**

Purchase in the open market bonds issued by the school facilities improvement district with available funds from the school facilities improvement fund, pursuant to Education Code Section 15390.

After purchasing the bonds, notify the board of supervisors of its action, describing the bonds purchased, pursuant to Education Code Section 15391.