

Isom Advisors
Santa Clarita Community College District
Q & A - 2023 Property Tax Bill

QUESTION	FINANCIAL ADVISOR RESPONSE
Measure M	Measure M
<p>Q: What are the component factors used to calculate the aggregate factor disclosed on the tax bill for the community college (.037333 per \$100 of assessed valuation). It appears taxpayers are required to pay \$20.68 per \$100,000 Assessed Valuation (\$.02068 per \$100 AV) for borrowings related to Measure M (2006).</p>	<p>A: It appears that a concerned community member included the entirety of the 2021 Refunding their calculation of the total tax rate For Measure M, which was calculated at \$20.68. <u>The actual number is \$12.71.</u></p> <p>The \$12.71 tax rate factors in that only 13.77% of the 2021 Refunding Bonds' debt service for the 2023-24 tax rate is attributable to 2006 Measure M Bonds. We know this is still higher than the 2006 Measure M targeted tax rate figure of \$9.73, but it is the result of the AV growth/decline from 2010-2013 of -5.65%, -1.11%, 0.35%, and -1.71% which is lower than the original AV estimates of 4%.</p> <ul style="list-style-type: none"> • Series 2012 - \$0.060 • Series 2014 - \$1.150 • 2016 Refunding - \$5.515 • Series 2016 - \$1.426 • 2019 Refunding - \$3.287 • 2021 Refunding - \$9.242 (approximately \$7.97 is 2001 authorization and \$1.272 is 2006 authorization) • Approximate 2006 Election Total: \$12.710
<p>Q: In 2006, the trustees of the SCCCD estimated the maximum payment rate for Measure M borrowings to be \$9.73.</p>	<p>A: That is Correct.</p>
<p>Q: It appears the rate taxpayers in the SCCCD are required to pay is 112.54 % more than the estimated payment rate from Measure M 2006 on their current tax billing. Is that possible? Please provide an answer as to how this happened.</p>	<p>A: As stated above, the actual 2006 Measure M Election total tax rate is \$12.71, not \$20.68 which is 30.62% higher than originally anticipated, given the AV growth/decline that the District experienced in 2010-2013.</p>
(Measure E)	(Measure E)
<p>Q: In addition, it seems the taxpayers are required to make a payment on the 2022 issuance, Account # 814.65, Line 24 2016 Series 2022.</p> <p>It was my understanding the District issued \$70,000,000 in October 2022 and that the District had capitalized the payment to make the first year's payment to avoid breaking the \$15.00 estimated payment in the text presented to the voters.</p>	<p>A: For the 2023-2024 property tax year, the combined measure E tax rate has not exceeded the target rate of \$15/\$100,000 AV.</p> <ul style="list-style-type: none"> • The District has three series of bonds outstanding for the Election of 2016. <ul style="list-style-type: none"> • Series 2017 - \$3.360 • Series 2019 - \$9.986 • Series 2022 - \$0.198 • 2016 Election Total: \$13.544 <p>NOTE: Estimated tax rate of \$15/\$100,000 AV may fluctuate on property tax statements as bonds are issued and AV changes in Santa Clarita.</p>
<p>Q: Regarding the 2022 issuance, why are taxpayers being asked to make any payment on 2016 Series 2022 when we were told the payment was capitalized at issuance?</p>	<p>A: For the Series 2022 Bonds, interest was capitalized for 1.7 years, through July 26, 2024. The use of capitalized interest and principal amortization in 2024 was necessary manage the tax rate under the targeted tax rate of \$15/\$100,000 of AV. A small collection of tax for FY2023-24 was made to accelerate debt service and thus reduce interest cost.</p>
<p>Q: Did the bond team violate their representation and capitalized two years of payments.</p>	<p>A: The bond team did not violate their commitment to the Board and administration. As stated above, capitalized interest was utilized for 1.7 years to manage the \$15/\$100,000 tax rate.</p>