

Northern Humboldt Union High School District

District Financial Analysis

by

Isom Advisors,
a Division of Urban Futures, Inc.

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About the Firm

2014 Bond Program Successes

Assisting school districts pass 42 tax measures

Northern Humboldt Union High School District

- ❖ In June 2014, we assisted nearly 50% of all K-12 school bonds in California
- ❖ In November 2014, we helped an additional 27 school districts with local tax measures; nearly 33% of all school bonds in California

June 2014 G.O. Bond Successes		
District	County	Amount ⁽¹⁾
Bayshore ESD	San Mateo	\$6.0
Benicia USD	Solano	\$49.6
Cotati RP USD	Sonoma	\$80.0
Happy Valley ESD	Shasta	\$2.5
Hydeseville ESD	Humboldt	\$1.1
Kingsburg HSD	Fresno	\$13.0
Le Grand HSD	Merced	\$4.2
Merced River ESD	Merced	\$1.7
Parlier USD	Fresno	\$6.0
Petaluma ESD	Sonoma	\$21.0
Petaluma HSD	Sonoma	\$68.0
Princeton USD	Glenn	\$2.8
Round Valley USD	Mendocino	\$4.0
Springville ESD	Tulare	\$4.0
Winters USD	Yolo	\$15.0

⁽¹⁾ In Millions

Nov. 2014 Tax Measure Successes		
District	County	Amount ⁽¹⁾
Azusa USD	Los Angeles	\$92.0
Bassett USD	Los Angeles	\$30.0
Briggs ESD	Ventura	\$4.0
Cinnabar ESD	Sonoma	\$2.5
Columbia ESD	Shasta	\$8.6
Dixie ESD	Marin	\$30.0
East Nicolaus HSD	Sutter	\$4.0
Farmersville USD	Tulare	\$4.8
Greenfield ESD – A	Monterey	\$10.0
Greenfield ESD – B	Monterey	\$10.0
Gustine USD	Merced	\$14.0
Kenfield ESD	Marin	\$30.0
Lakeport USD	Lake	\$17.0
Madera USD	Madera	\$70.0
Mendota USD	Fresno	\$15.0
Oak Grove ESD	Sonoma	\$6.0
Ojai USD	Ventura	\$35.0
Rio ESD	Ventura	\$38.5
San Luis Coastal USD	San Luis Ob.	\$177.0
Santa Rosa ESD	Sonoma	\$54.0
Santa Rosa HSD	Sonoma	\$175.0
Southern Humboldt USD	Humboldt	\$10.0
Tipton ESD	Tulare	\$3.3
Torrance USD - A	Los Angeles	\$144.3
Torrance USD - B	Los Angeles	\$50.0
Vacaville USD	Solano	\$194.0
Yreka HSD	Siskiyou	\$8.0

⁽¹⁾ In Millions

2016 Bond Program Successes

There was a lot of support for CA school bonds in 2016

Northern Humboldt Union High School District

- Isom Advisors worked on **over 70** successful K-12 bond measures in June and November 2016, which was approximately 1/3rd of all bond programs.

June 2016 Isom Advisors G.O. Bond Successes			November 2016 Isom Advisors G.O. Bond Successes (A)			November 2016 Isom Advisors G.O. Bond Successes (B)		
District	County	Amount ⁽¹⁾	District	County	Amount ⁽¹⁾	District	County	Amount ⁽¹⁾
Albany USD	Alameda	\$25.0	Arcata ESD	Humboldt	\$3.4	Konocti USD	Lake	\$29.6
Albany USD	Alameda	\$70.0	Armona ESD	Kings	\$6.5	Lawndale ESD	Los Angeles	\$27.0
Ballico-Cressy ESD	Merced	\$6.5	Bayshore ESD	San Mateo	\$7.0	Lemoore HSD	Kings	\$24.0
Black Butte ESD	Shasta	\$4.0	Brawley ESD	Imperial	\$14.0	Live Oak USD	Sutter	\$14.0
Cutler-Orosi USD	Tulare	\$16.0	Burton	Tulare	\$6.5	Lodi USD	San Joaquin	\$281.0
Cuyama JUSD	Santa Barbara	\$6.0	Campbell UHSD	San Clara	\$275.0	Mariposa County USD	Mariposa	\$24.0
Fairfield-Suisun USD	Solano	\$249.0	Cardiff ESD	San Diego	\$22.0	Martinez USD	Contra Costa	\$120.0
Franklin McKinley ESD	Santa Clara	\$67.4	Cascade ESD	Shasta	\$8.9	Mattole USD	Humboldt	\$2.0
Gilroy USD	Santa Clara	\$170.0	Chico USD	Butte	\$152.0	Moraga ESD	Contra Costa	\$33.0
Hermosa Beach ESD	Los Angeles	\$59.0	Chowchilla ESD	Madera	\$13.0	Mountain View SD	Los Angeles	\$57.0
Junction ESD	Shasta	\$3.5	Coolinga-Huron USD	Fresno	\$39.0	Muroc JUSD	Kern	\$21.0
Kelseyville USD	Lake	\$30.0	Corning HSD	Tehama	\$8.3	Novato USD	Marin	\$222.0
Kingsburg ESD	Fresno	\$10.0	Cotati Rohnert Park USD	Sonoma	\$80.0	Pierce USD	Colusa and Yolo	\$15.0
Klamath Trinity USD	Humboldt	\$6.5	El Centro ESD	Imperial	\$22.1	Pioneer SD	Kings	\$7.0
Livermore USD	Alameda	\$245.0	Exeter USD	Tulare	\$18.0	Reef Sunset USD	Kings	\$12.0
Pope Valley ESD	Napa	\$4.0	Galt HSD	Sacramento & San Joaquin	\$36.0	Shasta HSD	Shasta	\$56.9
San Antonio ESD	Monterey	\$2.1	Garvey ESD	Los Angeles	\$40.0	Simi Valley USD	Ventura	\$239.0
Santa Paula USD	Ventura	\$39.6	Guadalupe ESD	Santa Barbara	\$5.8	Sonoma Valley USD	Sonoma	\$120.0
Walnut Creek ESD	Contra Costa	\$60.0	Guadalupe ESD	Santa Barbara	\$5.6	Sequel ESD	Santa Cruz	\$42.0
Wasco ESD	Kern	\$9.7	Guerneville ESD	Sonoma	\$7.0	South Bay ESD	Humboldt	\$4.0
Wasco ESD	Kern	\$9.4	Hanford ESD	Kings	\$24.0	South Whittier ESD	Los Angeles	\$29.0
			Hanford HSD	Kings and Tulare	\$33.0	Waugh ESD	Sonoma	\$4.0
			Healdsburg USD	Sonoma	\$67.0	Westminster ESD	Orange	\$76.0
			Huntington Beach ESD	Orange	\$159.8	Williams USD	Colusa	\$11.0
			Imperial USD	Imperial	\$40.0	Windsor USD	Sonoma	\$62.0
			Jacoby Creek ESD	Humboldt	\$2.7	Winters USD	Solano and Yolo	\$17.0

⁽¹⁾ In Millions

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Source: Isom Advisors

Assessed Value and G.O. Bond History

District Bond & Assessed Value History

District's tax base has grown by 82% since 2004

Northern Humboldt Union High School District

Northern Humboldt HSD Historical Assessed Value		
Fiscal Year Ending	Total Value	% Change
2004	\$2,425,306,576	
2005	\$2,613,911,394	7.78%
2006	\$2,856,586,410	9.28%
2007	\$3,143,146,286	10.03%
2008	\$3,385,827,104	7.72%
2009	\$3,599,269,742	6.30%
2010	\$3,734,580,489	3.76%
2011	\$3,768,303,170	0.90%
2012	\$3,821,777,043	1.42%
2013	\$3,880,323,284	1.53%
2014	\$3,938,396,452	1.50%
2015	\$4,005,403,907	1.70%
2016	\$4,105,110,853	2.49%
2017	\$4,229,705,192	3.04%
2018	\$4,410,414,331	4.27%
	Average	4.41%

- ❖ District voters passed a bond in 2010 for \$25.8 million at 59.5% voter approval
- ❖ District has approximately \$4.3 million in remaining authorization from the Election of 2010
- ❖ Current 2016-17 tax rate from the Election of 2010 is \$24.00 per \$100,000 of assessed valuation

Source: California Municipal Statistics/Humboldt County

- ❖ District's 2017-18 assessed value is approximately \$4.4 billion; fourteen-year average assessed value growth rate is 4.41%
- ❖ District's gross bonding capacity is \$55.1 million (1.25% x assessed value); District's outstanding G.O. bond debt is approximately \$21.4 million; District's net bonding capacity, or current debt limit, is approximately \$33.7 million

G.O. Bond Proceeds – SFID #1 (Arcata HS)

District can generate between \$13.6 million and \$21.5 million

Northern Humboldt Union High School District

Northern Humboldt HSD SFID #1 Bond Proceeds at Varying Tax Rates ⁽¹⁾				
Tax Rate per \$100,000	Series A 2018	Series B 2020	Series C 2023	Total Bond Proceeds
\$19.00	\$4,500,000	\$4,300,000	\$4,800,000	\$13,600,000
\$25.00	\$5,900,000	\$5,700,000	\$6,300,000	\$17,900,000
\$30.00	\$7,100,000	\$6,900,000	\$7,500,000	\$21,500,000

(1) Assumes AV growth of 3.50% and 30 year bond terms; Preliminary – Subject to change

Source: Isom Advisors

- ❖ SFID #1 (Arcata High School Feeder Districts) 2017-18 assessed value is \$2,324,369,014.
- ❖ With projected annual assessed value growth of 3.50%, the SFID can generate up to \$21.5 million.

G.O. Bond Proceeds – SFID #2 (MHS)

District can generate between \$12.1 million and \$19.0 million

Northern Humboldt Union High School District

Northern Humboldt HSD SFID #2 Bond Proceeds at Varying Tax Rates ⁽¹⁾				
Tax Rate per \$100,000	Series A 2018	Series B 2020	Series C 2023	Total Bond Proceeds
\$19.00	\$4,000,000	\$3,900,000	\$4,200,000	\$12,100,000
\$25.00	\$5,300,000	\$5,100,000	\$5,500,000	\$15,900,000
\$30.00	\$6,300,000	\$6,100,000	\$6,600,000	\$19,000,000

(1) Assumes AV growth of 3.50% and 30 year bond terms; Preliminary – Subject to change

Source: Isom Advisors

- ❖ SFID #2 (McKinleyville High School Feeder Districts) 2017-18 assessed value is \$2,086,045,317.
- ❖ With projected annual assessed value growth of 3.50%, the SFID can generate up to \$19.0 million.

Timeline – November 2018 Election

Following these steps are key to District's success

Northern Humboldt Union High School District

Task	Responsible Party	Date
Prepare project list	District/Architect	Ongoing
Board Meeting - approve "exploring" feasibility of a tax measure	District	November/Dec.
Conduct Survey	Consultant	January
Initiate public information program, speaking with elected officials, large taxpayers, community service groups to discuss proposed tax measure	District	January-May
Board Meeting - Survey Results Presentation	Consultant	February
Finalize Capital and Financing Plan based on Community Outreach	Consultant	April
Prepare Resolution for Calling Election, including Ballot Language, Project List, Tax rate Statement	Consultant/Bond Counsel	May
Board Meeting - Board action to adopt Resolution Calling Election	District	June
Submit Resolution Calling Election and Tax Rate Statement	District	June 2018
Prepare Argument in Favor of Measure	Consultant/District	July 2018
Submit Argument in Favor of Measure	Consultant/District	Aug. 2018
Form campaign committee and conduct campaign kick-off meeting	Campaign Committee	Aug. 2018
Run Campaign	Campaign Committee	Aug. – Nov. 2018
Election Day		November 2018