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City Clerk's Office
City of Santa Clara

IMPARTIAL ANALYSIS OF MEASURE _

Summary

Measure ___ was placed on the ballot by the City Council of the City of Santa Clara ("City") to propose issuance of up to \$400,000,000 in general obligation bonds. Bond proceeds would be used to fund improvements to City infrastructure and facilities per an attached "Expenditure Plan" that includes procedures for amendments. Bonds would be repaid by new property taxes. The measure includes audit requirements, citizen committee oversight, and other transparency and accountability provisions.

Financial Terms

If approved, bonds will be issued in phases beginning in 2025. The principal amount of each phase will correspond to the projected costs of improvements proposed for construction at that time. City expects to issue the full \$400,000,000 of bonds by 2030.

Interest rates for each bond issue will be determined by the market, but cannot exceed 12%. Assuming the full \$400,000,000 is issued, using a projected interest rate between 4 and 5%, City estimates required bond debt service payments would total approximately \$736,890,700.

Bonds would be repaid using revenues from an annual property tax levied against all non-exempt taxable property within the City. The total tax levied each year would equal the amount necessary to make bond payments that year. Taxes would be levied on each parcel of taxable property based on its assessed value established by the County assessor. City estimates the average annual tax rate necessary to repay all bonds over the term of the bonds would be approximately \$19 per \$100,000 of assessed value. For the median assessed single family home value in Santa Clara (\$674,000), this equates to a tax of approximately \$128 per year.

Use of Bond Proceeds

By law, bond proceeds must be used for the construction, reconstruction, rehabilitation, or replacement of public infrastructure. Bond funds **cannot** be used for City salaries, benefits, or operational expenses, except project administration costs (capped at 5% of bond proceeds).

Measure ___ includes an "Expenditure Plan" identifying project categories and specific projects to be constructed. Project categories include:

- Streets and Transportation
- Fire Stations and Emergency Response
- Police Facilities
- Parks, Libraries, Senior Center, and Aquatics Facilities
- Stormdrain System Improvements
- Historic Buildings and Beautification

The Expenditure Plan can be amended, but only with input from the Citizen's Oversight Committee, and with unanimous City Council approval.

Bond proceeds **cannot** be used for improvements to Levi's Stadium, improvements within 0.5 miles of Levi's Stadium (with limited exceptions), or to benefit any professional sports team.

Transparency and Accountability Measures

Additional provisions intended to improve transparency and accountability for bond expenditures include: annual audits; a citizen's committee that oversees bond measure compliance; and project implementation reporting and notice requirements.

Voter Requirements

By law, Measure ___ passes if approved by at least 66.7% of voters participating. **If Proposition 5 is approved statewide, this approval threshold lowers to 55%.**

A "yes" vote on Measure ___ supports issuance of the bonds.

A "no" vote on Measure ___ opposes issuance of the bonds.

This summary provides City Attorney's impartial analysis of Measure ___. Please refer to the full text of the measure for details.

GLEN R. GOOGINS, CITY ATTORNEY