

**COALITION FOR ADEQUATE STUDENT HOUSING (C.A.S.H.)
PLANNING, PASSING AND ADMINISTERING LOCAL BONDS**

Overview of the Basics

September 26, 2006 (Sacramento)
and
September 29, 2006 (Ontario)

Presented by:



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Section 1 Financing Your Master Plan

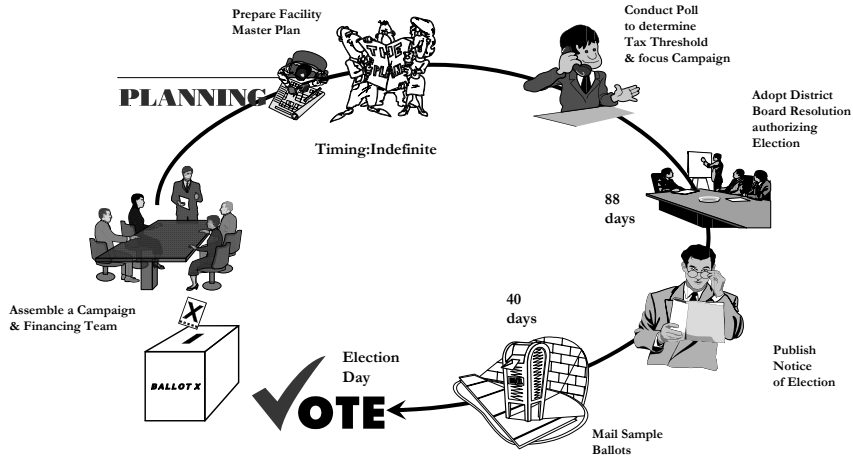
Master Plan Financing Options

	Certificates of Participation	General Obligation Bonds (Proposition 46) ⁽¹⁾	General Obligation Bonds (Proposition 39) ⁽¹⁾	School Facility Improvement District Bonds	Mello-Roos Bonds	Parcel Tax
Authorization	Board action.	Majority of Board Members must approve call for Bond Election; then, 2/3 voter approval.	2/3 of Board Members must approve call for Bond Election; then, 55% voter approval.	Majority of Board Members must approve call for Bond Election; 2/3 voter approval or 55% voter approval with certain restrictions as outlined in Prop. 39 election.	Majority of Board Members must approve creation of CFD and call for Bond Election; then, 2/3 voter approval. Voters are landowners if fewer than 12 registered voters reside in CFD.	Majority of Board Members approve call for Bond Election; then, 2/3 voter approval.
Use of Funds	Any capital improvement, such as equipment, construction, land purchase, etc.	Acquisition of real property and improvements, new construction and additions to facilities.	Acquisition and improvement of real property, furnishings and equipment, modernization and leasing, as detailed in Project List.	Site purchase, improvements to sites, new construction and additions to facilities within SFID.	Purchase, construction or rehabilitation of any real property or equipment with a useful life of 5 years or more.	Any capital improvement or operational expense described in Bond Measure.
Source of Repayment	Annual appropriation from the general fund.	<i>Ad valorem</i> tax levy on secured and unsecured property within the district.	<i>Ad valorem</i> tax levy on secured and unsecured property within the district, with maximum levels from \$25 to \$60 per \$100,000 of assessed valuation.	An <i>ad valorem</i> tax levy on secured & unsecured property in the SFID.	A special tax (may not be <i>ad valorem</i>) on all property within the Community Facilities District made on the basis of a special tax formula.	Special tax (not <i>ad valorem</i>) on all parcels of real property; Measure may limit special tax to classes of real property, like single-family.
Time Required to Complete (Approximate)	60 to 90 days	Election: 3 months Issuance: 60 to 90 days	Election: 3 months Issuance: 60 to 90 days	Election: 3 months Issuance: 60 to 90 days	4-12 months ⁽²⁾	6 months
Future Capital Needs	New issue may be authorized based on ability of General Fund to make debt service payments.	New issue may be authorized by Board action up to limit of the authorization. Additional <i>ad valorem</i> levied to make debt service payments.	New issue may be authorized by Board action up to limit of the authorization. Additional <i>ad valorem</i> taxes levied to make debt service payments.	New issue by board action up to limit of the authorization. Additional <i>ad valorem</i> taxes levied to meet debt service.	New issue may be authorized by Board action up to limit of the authorization. Additional special taxes levied to meet debt service.	Not limited to capital improvements, but no restrictions, so long as within scope of Measure
Area Affected by Tax	N/A	Entire School or Community College District.	Entire School or Community College District.	All property within the boundaries of the SFID as defined by School Board.	All property within the boundaries of the Community Facilities District.	All property within the boundaries of the District. (Unless certain classes of property are excluded by Measure).

(1) Also available for School Facilities Improvement Districts (SFID).

(2) The shorter timelines are available only where a developer voluntarily participates and there are fewer than 12 registered voters

How Long Does it Take to Finance the Plan?



What Investment Bankers Do For You



- Phase I. Prior to Election**
1. Review the District's Financing Needs and Develop the Financing Plan
 2. Assure that the Financing Plan is consistent with the Goals and Objectives Presented to the Voters and Taxpayers
 3. Define the tax rate
 4. Meet with the Campaign Committee to coordinate the Financing Plan with the Campaign Strategy
 5. Assist with the Formulation of the Information Campaign
- Phase II. Following a Successful Election**
6. Organize the Financing Team
 7. Coordinate Preparation and Review of Legal Documents/Legal Issues
 8. Make Presentations to Rating Agencies, Bond Insurance Companies and Investors
- Phase III. Issuance of Bonds**
9. Develop the Market for the Financing
 10. Implement the Sale of the Securities
 11. Coordinate the Closing and Delivery of Funds
 12. Provide Reinvestment Advice and Arrange for Investment Vehicle
- Phase IV. Following a Successful Issuance**
13. Maintain a Secondary Market for Securities Issued (if underwriting)
 14. Provide Continuing Service

- ✓ In June 2006, Standard and Poor's Rating agency released new commentary regarding new criteria in assessing an issuer's financial management.
- ✓ Management is one of the key components to determining an issuer's credit quality.
- ✓ Seven areas that will most likely affect credit quality:
 - ✓ LONG-TERM CAPITAL PLANNING
 - ✓ Revenue and expenditure assumptions
 - ✓ Budget amendments and updates
 - ✓ Long-term financial planning
 - ✓ Investment management policies
 - ✓ Debt management policies
 - ✓ Reserve and liquidity policies

Section 2
Sample GO Bond Election Study

- ✓ Original general obligation election assumed financing plan to occur over 8 years.

- ✓ Original assessed valuation assumed to grow 5.25% annually.

- ✓ Construction costs escalated faster then expected, causing need to escalate the issuance of the bonds.

- ✓ Final issuance schedule for election ended up over 3 years.

- ✓ Assessed valuation increases allowed district to accelerate bond issuance and issue refunding bonds to “cash-out” additional funds.

TAX RATE STATEMENT

1. The best estimate of the tax which would be required to be levied to fund the bond issue during the first fiscal year after the sale of the first series of bonds, based on estimated assessed valuations available at the time of filing of this statement, is **\$60.00 per \$100,000 of assessed valuation for the year 2004-2005.**

2. The best estimate from official sources of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds and an estimate of the year in which that rate will apply, based on estimated assessed valuations available at the time of filing of this statement, is **\$60.00 per \$100,000 of assessed valuation for the year 2012-2013.**

3. The best estimate of the highest tax rate which would be required to be levied to fund the bond issue and an estimate of the year in which that rate will apply, based on estimated assessed valuation available at the time of filing of this statement, is **\$60.00 per \$100,000 of assessed valuation for the year 2012-2013.**

Original Bond Issuance Schedule



Unified School District Bond Issuance Schedule and Projected Tax Rate Analysis

\$498.0 million authorization issued over 8 years.

Tax Rate Per \$100,000 Assessed Value*

2005	\$45.00
Maximum	\$60.00
Average	\$56.00

Series	Dated	Amount
A	08/01/04	\$100,000,000
B	08/01/07	150,000,000
C	08/01/10	133,000,000
D	08/01/12	115,000,000
Total		\$498,000,000

*Notes:

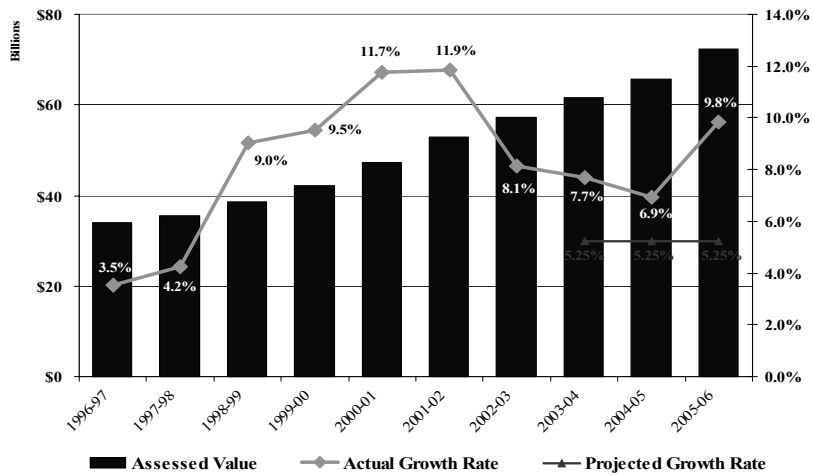
The maximum tax rates must not exceed \$60.00.

The 2003-04 A.V. is \$61,536,187,495.

Assumed A.V. Growth Rate: 5.25%

The maximum bonding capacity of the District is \$1,538,404,687.

Assessed Valuation History



Unified School District Bond Issuance Schedule and Projected Tax Rate Analysis

\$498.0 million authorization issued over 3 years.

Tax Rate Per \$100,000 Assessed Value*

2007	\$58.00
Maximum	\$60.00
Average	\$54.00

Series	Dated	Amount
A	08/01/04	\$100,000,000
Ref	04/13/06	89,275,849
B	08/15/06	398,000,000
Total		\$498,000,000

***Notes:**

The maximum tax rates must not exceed \$60.00.

The 2005-06 A.V. is \$72,285,596,639.

Assumed A.V. Growth Rate:

2006-07			9.00%
2007-08	through	2010-11	8.50%
2011-12	through	2017-18	8.00%
2018-19	through	2024-25	7.50%
2025-26	and thereafter		7.00%

The maximum bonding capacity of the District is \$1,807,139,916.

Section 3
Presenter Contact Information



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