

SAN RAMON VALLEY UNIFIED SCHOOL DISTRICT
699 Old Orchard Drive, Danville, CA

DATE: June 12, 2018

TOPIC: CONSIDERATION OF ACCEPTANCE OF RESOLUTION NO. 50/17-18, ESTABLISHING AN INCREASE TO THE LEVEL 1 SCHOOL FACILITY FEES

DISCUSSION: Education code states that the governing board of any school district is authorized to levy a fee, charge, dedication or other requirement against any construction within the boundaries of the District for the purpose of funding the construction or reconstruction of school facilities, more commonly known as “developer fees”. A “justification study” is required to document the District’s need for the fee. This action will allow the District to change the maximum allowable Level 1 Fee as recently approved by the State Allocation Board.

There are three levels of fees that a school district can levy. They are:

Level 1 – as of January 24, 2018, Government Code Section 65995 authorizes districts to collect a maximum of \$3.79/sq. foot for residential construction including additions which exceed 500 square feet and \$.61/sq. foot for commercial and industrial construction and senior housing.

Level 2 - if the District is eligible, it can also levy a higher amount on residential construction in lieu of the \$3.79 Level 1 Fee. This higher fee is referred to as a Level 2 Fee, and a district must comply with certain eligibility requirements including a “School Facilities Needs Analysis” which is required to document the district’s need for this level.

Level 3 - if state funds are deemed to be unavailable for school facilities, then the District may be eligible to levy a Level 3 Fee in lieu of Level 1 & 2 Fees on residential construction. Again, the District’s need for a Level 3 Fee would be assessed in a “School Facilities Needs Analysis.”

The District’s updated School Facility Fee Justification Report as prepared by our consultant, School Facility Consultants, supports the increased Level 1 Fee as authorized by Education Code. The attached Resolution No. 50/17-18 is required to implement the increase.

RECOMMENDATION: Staff recommends the Board accept Resolution No. 50/17-18, authorizing the increase of Level 1 Fees for residential, commercial, industrial and senior housing construction.

BUDGET IMPLICATIONS: This increase will result in an increase in developer fee revenue from residential, commercial, industrial and senior housing construction.



Justine Perault
Sr. Planning & Development Manager
Facilities



Rick Schmitt
Superintendent



Gary Black
Assistant Superintendent
Facilities & Operations

RESOLUTION NO. 50/17-18
CONSIDERATION OF ADOPTION OF RESOLUTION NO. 50/17-18, ESTABLISHING
AN INCREASE TO THE LEVEL 1 SCHOOL FACILITY FEES

WHEREAS, Statute AB 2926 (Chapter 887/ Statutes 1986) authorizes the governing board of any school district to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities; and,

WHEREAS, Government Code Section 65995 establishes a maximum amount of fee that may be charged against such development projects and authorizes the maximum amount set forth in said section to be adjusted for inflation every two years as set forth in the state-wide cost index for Class B construction as determined by the State Allocation Board at its January 24, 2018 meeting; and,

WHEREAS, at its January 24, 2018 meeting, the State Allocation Board increased the maximum fee authorized by Education Code Section 17620 to \$3.79 per square foot of residential construction described in Government Code Section 65995(b)(1) and \$0.61 per square foot against commercial and industrial construction and senior housing described in Government Code Section 65995(b)(2); and,

WHEREAS, the purpose of this Resolution is to approve and adopt fees on residential projects in the amount of \$3.79 per square foot as authorized by Education Code Section 17620; and,

WHEREAS, the purpose of this Resolution is to approve and adopt fees on commercial and industrial development and senior housing projects in the amount of \$0.61 per square foot as described in Government Code Section 65995 (b) (2).

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of the San Ramon Valley Unified School District as follows:

1. Procedure. This Board hereby finds that prior to the adoption of this Resolution, the Board conducted a public hearing to allow for any oral or written presentations to be made, as part of the Board's regularly scheduled June 12, 2018 meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, has been published twice in a newspaper in accordance with Government Code Section 54994.1. Additionally, at least 10 days prior to the meeting, the District made available to the public a copy of the School Facility Fee Justification Report dated March 2018 (hereinafter referred to as the "Plan"), which included data indicating the amount of the cost, or estimated cost, required to provide the service for which the fee or service charge is to be adjusted pursuant to this Resolution, and the revenue sources anticipated to provide this service.
2. Findings. The Board has reviewed the Plan as it relates to proposed and potential development, the resulting school facilities' needs, the cost thereof, and the available sources of revenue including the fees provided by this Resolution, and based thereon and upon all other written and oral presentations to the Board, hereby makes the following findings:

- A. Enrollment at the District school(s) presently exceeds capacity.
- B. Additional development projects within the District, whether new residential construction or residential reconstruction involving increases in assessable area greater than 500 square feet, or new commercial and industrial construction or senior housing will increase the need for school facilities and/or the need for reconstruction of school facilities.
- C. Without the addition of new school facilities, and/or reconstruction of present school facilities, any further residential development projects or commercial or industrial development projects within the District will result in a significant decrease in the quality of education presently offered by the District;
- D. Substantial residential development, commercial and industrial development and senior housing is projected within the District's boundaries and the enrollment produced thereby will exceed the capacity of the schools of the District. As a result, conditions of overcrowding exist within the District, which will impair the normal functioning of the District's educational programs;
- E. The fees proposed in the Plan and the fees implemented pursuant to this Resolution are for the purposes of providing adequate school facilities to maintain the quality of education offered by the District;
- F. The fees proposed in the Plan and implemented pursuant to this Resolution will be used for the construction and/or reconstruction of school facilities as identified in the Plan;
- G. The uses of the fees proposed in the Plan and implemented pursuant to this Resolution are reasonably related to the types of development projects on which the fees are imposed;
- H. The fees proposed in the Plan and implemented pursuant to this Resolution bear a reasonable relationship to the need for school facilities created by the types of development projects on which the fees are imposed;
- I. The fees proposed in the Plan and implemented pursuant to this Resolution do not exceed the estimated amount required to provide funding for the construction or reconstruction of school facilities for which the fees are levied; and in making this finding, the Board declares that it has considered the availability of revenue sources anticipated to provide such facilities, including general fund revenues;
- J. The fees imposed on commercial or industrial development and senior housing bear a reasonable relationship and are limited to the needs of the community for schools and are reasonably related and limited to the need for school facilities caused by the development;
- K. The fees will be collected for school facilities for which an account has been established and funds appropriated and for which the district has adopted a construction schedule and/or to reimburse the District for expenditures previously made.

3. Fee. Based upon the foregoing findings, the Board hereby increases the previously levied fee to the amount of \$3.79 per square foot for assessable space for new residential construction and for residential reconstruction to the extent of the resulting increase in assessable areas; and to the amount of \$.61 per square foot for new commercial and industrial construction or senior housing.
4. Fee Adjustments and Limitation. The fees adjusted herewith shall be subject to the following:
 - A. The amount of the District's fees as authorized by Education Code Section 17620 shall be reviewed every two years to determine if a fee increase according to the adjustment for inflation set forth in the statewide cost index for Class B construction as determined by the State Allocation Board is justified.
 - B. Any development project for which a final map was approved and construction had commenced on or before September 1, 1986, is subject only to the fee, charge, dedication or other form of requirement in existence on that date and applicable to the project.
 - C. The term "development project" as used herein is as defined by Section 65928 of the Government Code.
5. Additional Mitigation Methods. The policies set forth in this Resolution are not exclusive and the Board reserves the authority to undertake other or additional methods to finance school facilities including but not limited to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311, et seq.) and such other funding mechanisms. This Board reserves the authority to substitute the dedication of land or other property or other form of requirement in lieu of the fees levied by way of this Resolution at its discretion, so long as the reasonable value of land to be dedicated does not exceed the maximum fee amounts contained herein or modified pursuant hereto.
6. Implementation. For residential, commercial and industrial projects or senior housing within the District, the Superintendent, or the Superintendent's designee, is authorized to issue Certificates of Compliance upon the payment of any fee levied under the authority of this Resolution.
7. California Environmental Quality Act. The Board hereby finds that the implementation of Developer Fees is exempt from the California Environmental Quality Act (CEQA).
8. Commencement Date. The effective date of this Resolution shall be August 11, 2018, which is 60 days following its adoption by the Board.
9. Notification of Local Agencies. The Secretary of the Board is hereby directed to forward copies of this Resolution and a Map of the District to the Planning Commission and Board of Supervisors of Contra Costa County and to the Planning Commission and City Council of the City of San Ramon and the Town of Danville.

10. Severability. If any portion of this Resolution is found by a Court of competent jurisdiction to be invalid, such finding shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares its intent to adopt this Resolution irrespective of the fact that one or more of its provisions may be declared invalid subsequent hereto.

APPROVED, PASSED and ADOPTED by the Governing Board of the San Ramon Valley Unified School District this 12th day of June 2018, by the following vote:

AYES: Mintz, Hurd, Marvel, Jewett

NOES: None

ABSENT: Ordway

ABSTAIN: None



Rick Schmitt
Secretary of the Board of Education of the
San Ramon Valley Unified School District of
Contra Costa County, State of California