



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 9.1g

**Meeting Date:** December 10, 2015

**Subject:** Approve Resolution No. 2864: Developer Fees Report for Fiscal year Ending June 30, 2015

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: \_\_\_\_\_)
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** Review and adopt the Annual and Five-Year Reports

**Background/Rationale:** Sections 66001 and 66006 of the Government Code require that the School District provide to the public information on developer fees received from new residential and commercial/industrial development to mitigate the impact of public improvement on the school facilities of the School District.

**Financial Considerations:** Reflects standard business information.

**LCAP Goal(s):** Family and Community Engagement

**Documents Attached:**

1. Annual and Five Year Developer Fee Reports for the Fiscal Year Ending June 30, 2015

**Estimated Time of Presentation:** N/A

**Submitted by:** Gerardo Castillo, CPA, Chief Business Officer

**Approved by:** José L. Banda, Superintendent

**SACRAMENTO CITY UNIFIED SCHOOL DISTRICT  
BOARD OF EDUCATION**

**RESOLUTION NO. 2864**

**“ANNUAL AND FIVE-YEAR DEVELOPER FEE REPORTS FOR 2014-2015”**

**WHEREAS**, pursuant to its authority under Education Code Section 17620 and Government Code Section 65995, the Board of Education has previously adopted and imposed statutory school fees for the 2014-15 fiscal year on residential, commercial and industrial development (“Developer Fees”) to mitigate the impact of new development on the Sacramento City Unified School District (“District”); and

**WHEREAS**, the District has deposited all Developer Fees that it has received in a separate non-commingled capital facilities fund (“Capital Facilities Fund”) established for such a purpose, pursuant to Government Code Section 66006(a) and (b); and

**WHEREAS**, the District has made available to the public the Annual and Five-Year Developer Fee Reports for Fiscal Years 2014-15; and

**WHEREAS**, the District has reviewed the information provided in the Annual and Five-Year Developer Fee Reports and has determined the information contained therein to be true and correct; and

**WHEREAS**, the Annual Developer Fee Report was prepared in accordance with Government Code Section 66006(b)(1); and

**WHEREAS**, the Five-Year Developer Fee Report was prepared in accordance with Government Code Section 66001(d);

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE SACRAMENTO CITY UNIFIED SCHOOL DISTRICT AS FOLLOWS:**

Section 1. The Board has reviewed the information provided in the Annual and Five-Year Developer Fee Reports and finds it to be true and correct.

Section 2. The Board, based upon the information contained in the Annual Developer Fee Report, finds as follows:

Section 2.1 That the Annual Developer Fee Report describes the types of fees contained in the Capital Facilities Fund, including the amount of the fees, the beginning and ending balance of the Capital Facilities Fund, as well as the amount of fees collected, and the interest earned thereon.

Section 2.2 That the Annual Developer Fee Report identifies each public improvement on which Developer Fees were expended.

Section 3. The Board, based upon the information contained in the Five-Year Developer Fee Report, finds as follows:

Section 3.1 That the purpose of Developer Fees imposed on new residential, commercial, and industrial development within the District is to fund the school facilities required to serve the additional grade K-12 students generated by such new development and that the Developer Fees will be used for the construction and/or acquisition of additional school facilities and the remodeling of exiting school facilities to provide additional capacity.

Section 3.2 That there is a proportional and reasonable relationship between the Developer Fees imposed on new development and the need for additional District school facilities because new development will generate new students to be enrolled in the District which will lead to increased need for school facilities, and that the Developer Fees imposed do not exceed the cost of providing such additional school facilities.

Section 3.3 That there is a further proportional and reasonable relationship between the unexpended Developer Fees contained in the Capital Facilities Fund and the need for additional school facilities because the Developer Fees imposed on new developments will not fully cover the costs of providing such school facilities for these new students.

Section 3.4 That the portion of the Capital Facilities Fund that remains unexpended will be used for the construction and/or acquisition of additional school facilities, remodeling existing school facilities in order to increase capacity, and the acquisition of additional portable classrooms to accommodate students generated from new development.

Section 3.5 That the dates upon which the District's school facilities projects employing the unexpended funds in the Capital Facilities Fund will commence are not presently known.

**PASSED AND ADOPTED** by the Sacramento City Unified School District Board of Education on this \_\_\_\_ day of \_\_\_\_\_ by the following vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_  
ABSENT: \_\_\_\_\_

\_\_\_\_\_  
Darrel Woo  
President of the Board of Education

ATTESTED TO:

\_\_\_\_\_  
José L. Banda  
Secretary of the Board of Education



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

## ANNUAL AND FIVE-YEAR DEVELOPER FEE REPORTS FOR FISCAL YEAR ENDING JUNE 30, 2015

### I. OVERVIEW/HISTORY:

Sections 66001 and 66006 of the Government Code require that Sacramento City Unified School District ("School District") provide to the public information on developer fees received from new residential and commercial/industrial development to mitigate the impact of public improvements on the school facilities of the School District ("Reportable Fees"). The School District currently collects statutory school fees or "Developer Fees" pursuant to Sections 17620 *et seq.* of the Education Code and Sections 65995 *et seq.* of the Government Code.

The School District is required to provide under the Government Code the following information on Reportable Fees for the prior fiscal year:

1. Amount of fees collected
2. Amount of interest earned
3. Amounts spent on projects to accommodate additional enrollment from new residential and commercial/industrial development

Additionally, the School District is required to identify the following:

1. The proposed purposes to which Reportable Fees may be spent
2. The Reasonable Relationship between the Reportable Fees and the purpose to which they are to be spent
3. The funding sources and expected funding availability date for school facilities projects for which Reportable Fees are required

The following Annual and Five-Year Reports ("Reports") for the fiscal year ending June 30, 2015, include the information and proposed findings the School District intends to review and adopt in accordance with Sections 66001 and 66006 of the Government Code.

## **II. Annual Report for the Fiscal Year Ending June 30, 2015:**

In accordance with Government Code Section 66006(b)(1) and (2), the School District hereby presents the following information for fiscal year 2014/2015 (i.e. July 1, 2014 through June 30, 2015) with regard to the annual Reportable Fees:

### **A. Description of the Type of Reportable Fees in the Account or Sub-account(s) of the School District**

The Reportable Fees of the School District for fiscal year 2014/2015 consist of Developer Fees. Developer Fees were collected by the School District from new residential and commercial/industrial development in the amounts as noted below.

### **B. Amount of the Reportable Fees**

The Developer Fee amounts for fiscal year 2014/2015 for the period between July 1, 2014, and June 30, 2015, were as follows:

- \$3.20 per square foot of assessable space for residential development constructed within the School District; and
- \$0.51 per square foot of covered and enclosed space for commercial/industrial development; and
- \$0.42 per square foot of covered and enclosed space for retail self-storage development;

All above fees were adopted by the Board of Education ("Board") of the School District on May 17, 2012, by Resolution No. 2706 based on the report "Developer Fee Justification Report" of the School District dated March 1, 2012. As the above-mentioned documents demonstrate, the amounts of the Developer Fees only partially mitigate the impacts to the School District caused by new residential and commercial/industrial development.

**C. Developer Fees Revenue/Expenditure Actuals for Fiscal Year Ending June 30, 2015**

Below summarizes the beginning and ending balances, the amount of Reportable Fees collected and interest earned, additional refunds/revenues, and total expenditures during fiscal year 2014/2015.

Sacramento City Unified School District  
 Developer Fees Revenue/Expenditure Actuals  
 for Fiscal Year Ending June 30, 2015

	6/30/2015		
<b>Beginning Fund Balance</b>	<u>\$ 1,284,234.18</u>		
<b>REVENUE</b>			
Developer Fees Collected	\$ 2,667,073.27		
Educational Revenue Augmentation Fund (City and County Redevelopment)	\$ 553,307.45		
Interest Earned	(11,790.75)		
All Other Local Revenue	<u>3,276.65</u>		
2014-15 Total Revenue	<u>\$ 3,211,866.62</u>		
<b>TOTAL AVAILABLE REVENUE</b>	<u>\$ 4,496,100.80</u>		
<b>EXPENDITURES</b>			
<u>Site</u>	<u>Purpose</u>	<u>Type</u>	
Debt Service	Principal and Interest expenses for Lease Revenue Refunding Bonds	Administrative	\$ 2,405,000.00
District Operations	Consulting for Office of Public School Construction Applications	Administrative	<u>1,006.25</u>
<b>TOTAL EXPENDITURES</b>			<u>\$ 2,406,006.25</u>
<b>2014-2015 Available Ending Fund Balance</b>			<u>\$ 2,090,094.55</u>

**D. Identification of Each Improvement on Which Reportable Fees Were Expended and the Amount of the Expenditures on Each Improvement, Including the Total Percentage of the Cost of Each Project of the School District that Was Funded with Reportable Fees**

The School District expensed \$5,466,382.55 towards debt service payments on bonds that funded roofing and HVAC projects district wide and the construction of the Serna Center. Reportable Fees were 44% of the total cost.

**E. Identification of an Approximate Date by Which the Construction of Project(s) of the School District will Commence if the School District Determines that Sufficient Funds have been Collected to Complete Financing on an Incomplete Project of the School District, as Identified in Paragraph (2) of Subdivision (A) of Section 66001, and the Project of the School District Remains Incomplete**

The School District determined that it will have sufficient funds to continue or begin construction of the following projects in fiscal year 2015/2016:

- Leataata Floyd Landscaping Improvements (estimated completion fiscal year 2015/2016)

**F. Description of each Interfund Transfer or Loan Made from the Account or Sub-Account(s), Including Project(s) of the School District on which the Transferred or Loaned Reportable Fees will be Expended, and, in the Case of an Interfund Loan, the Date on Which the Loan will be Repaid, and the Rate of Interest that the Account or Sub-Account(s) will Receive on the Loan**

No transfers or loans of Reportable Fees were made in fiscal year 2014/2015.

**G. The Amount of Refunds made or Revenues Allocated for Other Purposes if the Administrative Costs of Refunding Unexpended Revenues Exceed the Amount to be Refunded**

No refunds of Reportable Fees were made pursuant to Section 66001(e) of the Government Code in fiscal year 2014/2015.

**III. Five Year Report:**

In accordance with Government Code Section 66001, the School District provides the following information with respect to that portion of the account or sub-account(s) remaining unexpended, whether committed or uncommitted:

**A. Identification of the Purpose to which the Reportable Fees are to be Put**

The purpose of the Reportable Fees imposed and collected on new residential and commercial/industrial development within the School District during fiscal year 2014/2015 was to fund construction and reconstruction projects required to serve the grade K-12 students generated by new development within the School District. Specifically, the Reportable Fees will be used for (i) the construction of property for additional School Facilities, (ii) installation of additional classrooms and/or construction of additional buildings at existing School Facilities, and (iii) the construction and/or renovation of School District facilities needed to maintain and provide a required level of service to house students generated as a result of residential and commercial/industrial development.

**B. Demonstration of a Reasonable Relationship Between the Reportable Fees and the Purposes for which they are Charged**

There is a reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional School Facilities and for the reconstruction of existing facilities to maintain the ability of the School District to house students generated from residential and commercial/industrial development. Furthermore, Reportable Fees do not exceed the costs of providing such School Facilities for new students as documented in the report "Developer Fee Justification Report" of the School District dated March 1, 2012.

**C. Identification of All Sources and Amounts of Funding Anticipated to Complete Financing of the School Facilities as Identified by the School District**

Project	Reportable Fees	Other Sources	Total
Leataata Floyd Landscaping Improvements	\$70,000	-	\$70,000
Anticipated reconstruction work in areas adjacent to North West Land Park development project	\$146,864	-	\$146,864
Debt Service 2015/2016	\$2,405,000	\$3,060,634	\$5,465,634
	\$2,621,864	\$3,060,634	\$5,682,498

**D. Identification of the Approximate Dates on Which the Funding Referred to in Section III.C is Expected to be Deposited into the Appropriate Account or Fund**

Project	Reportable Fees	Other Sources
Leataata Floyd Landscaping Improvements	Funds Available	N/A
Anticipated reconstruction work in areas adjacent to North West Land Park development project	Unknown	N/A
Debt Service 2015/2016	Funds Available	Funds Available