



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item 9.1

Meeting Date: October 15, 2015

Subject: Public Hearing on Adoption of Resolution No. 2857 for Developer Fee Increase

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

Learning Support Unit/Department: Facilities Support Services

Recommendation: Approve adoption of Resolution No. 2857 for Developer Fee Increase

Background/Rationale: Government Code Section 65995 sets the legal right of school districts to set and collect developer fees. In order to adjust for inflation and new or reconstructed facilities needed to accommodate students, the District needs to increase developer fees, based on the Developer Fee Justification Report conducted by SCI.

Financial Considerations: Approve and adopt fees pursuant to Government Code section 65995 et seq. on residential construction in the amount of \$3.26 per square foot, commercial and industrial development projects in the amount of \$0.54 per square foot other than new retail self-storage construction and \$0.26 per square foot for new retail self-storage construction.

Current fees are as follows: Residential: \$3.20 per square foot
Commercial: \$0.51 per square foot
Retail Self Storage: \$0.42 per square foot

LCAP GOAL 2: Safe, Clean and Healthy Schools

Documents Attached:

1. Notice of Public Hearing
2. Resolution No. 2857

Estimated Time of Presentation: 5 Minutes
Submitted by: Cathy Allen, Chief Operations Officer
Approved by: José L. Banda, Superintendent

**NOTICE OF PUBLIC HEARING ON PROPOSED ADOPTION
OF SCHOOL FACILITIES FEES**

NOTICE IS HEREBY GIVEN that the Board of Education of the Sacramento City Unified School District intends to conduct a Public Hearing on October 15, 2015 at 6:30 P.M. to consider input from the public and a resolution on the proposed adoption of school facilities fees on residential, commercial and industrial development. The fees are proposed to be levied at the K-12 rate of \$3.36 per square foot for residential construction and \$0.54 per square foot for commercial/industrial construction, and would be levied for the purpose of funding the construction and reconstruction of school facilities. The fees would be levied pursuant Section 65995 of the California Government Code.

The Developer Fee Justification Report for the proposed school facilities fees is on file in the office of the Superintendent, and is available for public review. Members of the public are invited to provide comment at the Public Hearing, or, in writing, which is received on or before October 12, 2015.

Any person challenging in court the decision made at the conclusion of the Public Hearing may be limited to raising only those issues raised at such hearing or in correspondence delivered to the school district prior to the close of such hearing.

If you desire additional information concerning the above, please contact Jim Dobson at (916) 264-4075.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

S/By James C. Dobson

Director, Facilities Management and Operations

**Sacramento City Unified School District
Sacramento, CA**

Resolution No. 2857

**A Resolution of the Governing Board of the
Sacramento City Unified School District
Adopting School Facilities Fees**

WHEREAS, Education Code section 17620 et seq. 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 limits the fee authorized to \$3.36 per square foot of residential construction described in Government Code section 65995, subdivision (b)(1) and \$0.54 per square foot against commercial and industrial construction described in Government Code section 65995, subdivision (b)(2) subject to adjustments for inflation determined by the State Allocation Board pursuant to Government Code section 65995. Subdivision (b)(3);

WHEREAS, the purpose of this Resolution is to approve and adopt fees pursuant to Government Code section 65995, et seq. in the amount of \$3.36 per square foot of residential construction; and;

WHEREAS, the purpose of this Resolution is to approve and adopt fees pursuant to Government Code section 65995 et seq. on commercial and industrial development projects in the amount of \$0.54 per square foot other than new retail self-storage construction and \$0.26 per square foot for new retail self-storage construction.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of the Sacramento City Unified School District as follows:

1. Procedure. The Board hereby finds that prior to the adoption of this Resolution, the Board conducted a public hearing at which oral and written presentations were made, as part of the Board's regularly scheduled October 15, 2015 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 sections 66004, 66018, and 6062, subdivision (a) and in a notice, including a statement that the data required by Government Code sections 66004 and 66018 was available, was mailed at least 14 days prior to the meeting to any interested party who had filed a written request with the District for mailed notice of the meeting on new fees or service charges within the period specified by law. Additionally at least 10 days prior to the meeting the District made available to the public, 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 the Resolution, and the revenue sources anticipated to provide this service, By way of such public meeting, the Board received the Developer Fee Justification

Report (the “Report”), attached as Exhibit A, which formed the basis for the action taken pursuant to this Resolution.

2. Findings. The Board has reviewed Exhibit A as it relates to proposed and potential development the resulting school facilities needs, the cost thereof, and the available source of revenue including the fees provided by this Resolution and based thereon and upon all other information, and written and oral presentation to the Board, hereby makes the following findings;
 - a. The District's existing school facilities require reconstruction to bring school facilities up to District standards, students generated by new development will be accommodated by the reconstructed facilities.
 - 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 or industrial construction 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. The fees proposed in the Report and implemented pursuant to this Resolution are for the purposes of providing adequate school facilities to maintain the quality of education offered by the District;
 - e. The fees proposed in the Report and implemented pursuant to this Resolution will be used for the construction and/or reconstruction of school facilities as identified in the Report;
 - f. The uses of the fees proposed in the Report and implemented pursuant to this Resolution are reasonably related to the types of development projects on which the fees are imposed in that the students which are generated by residential and commercial development will be accommodated by the additional and/or reconstructed facilities;
 - g. The fees proposed in the Report 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 in that residential and commercial development growth generate additional students who rely on education in the District;
 - h. The fees proposed in the Report 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;

- i. The fees imposed on commercial or industrial development 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 development;
 - j. 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 implements fees in the amount of \$3.36 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 \$0.54 per square foot for new commercial or industrial construction other than new retail self-storage construction and \$0.26 per square foot for new retail self-storage construction. No building permit shall be issued absent payment of said fee.
4. Fee Adjustments and Limitations. The fees shall be subject to the following:
- a. The amount of the District's fee shall be reviewed biennially to determine if a fee increase according to the inflation set forth in the statewide cost index for Class B construction as determined by the State Allocation Board is justified.
 - b. The fees adjusted pursuant to this Resolution do not apply during the term of any contract entered into between a subdivider or builder and the District, or any applicable city or county on or before January 1, 1987, that requires the payment of a fee, charge or dedication for the construction of school facilities as a condition to the approval of residential or commercial/industrial development.
 - c. Any development project for which a final map was approved and construction has commenced on or before September 1, 1986, is subject only to the fee, charge dedication or other form requirement in existence on that date and applicable to the project.
 - d. To the extent that the District is collecting fees pursuant to Chapter 407, statutes of 1998, commonly known as Level 2 fees, on any new residential construction, this fee would not apply.
 - e. The term "development project" as used herein is defined by Government Code Section 65928.

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 Senate Bill 50 fees (Gov. Code, §65995, 65995.5 and 65995.7 et. seq.), the Mello-Roos Community Facilities Act of 1982 (Gov. Code, §53311 et. seq.), SB50 fees, mitigation agreements, and other available 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 the land to be dedicated does not exceed the maximum fee amounts contained herein or modified pursuant hereto.
6. Implementation. For residential, commercial or industrial projects 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 the implementation of Developer fees is exempt from the California Environmental Quality Act (CEQA), pursuant to Education code section 17621, subdivision (a).
8. Commencement Date. The effective date of this Resolution shall be December 15, 2015, which is at least 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 copy of the Developer Fee Justification Report to the Planning Commission and Board of Supervisors of Sacramento County and to the Planning Commission and City Council of the City of Sacramento with instructions not to issue any building permit absent a Certificate of Compliance.
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 FOREGOING RESOLUTION WAS PASSED AND ADOPTED at a regular Meeting of the Board of Education of Sacramento City Unified School District on the 15th day of October 2015 by the following vote;

AYE S:

NOES:

ABSTAIN:

ABSENT:

José L. Banda, Secretary to the Board
of Education

Darrel Woo, President of the Board
of Education