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Agenda Item Details

Meeting	Jun 19, 2014 - ESUHSD REGULAR BOARD MEETING - 4:30 P.M., DISTRICT OFFICE - BOARD ROOM, 830 N. CAPITOL AVENUE, SAN JOSE, CA 95133 - AMENDED AGENDA
Category	9. PUBLIC HEARING(S) - OPERATIONAL ITEMS/BOARD DISCUSSION AND/OR ACTION
Subject	9.02 Discussion and/or Action to Adopt Resolution #2013/2014-29 Increase of School Developer Fees - Marcus Battle, Associate Superintendent of Business Services, and Linda da Silva, Director of Construction, Maintenance and Facilities
Type	Action
Recommended Action	It is recommended that the Board of Trustees adopt Resolution #2013/2014-29 Increase in School Developer Fees.

EAST SIDE UNION HIGH SCHOOL DISTRICT

Item: 9.02

TO: Board of Trustees

FROM: Chris D. Funk, Superintendent

PREPARED BY: Marcus Battle, Associate Superintendent of Business Services, and Linda da Silva, Director of Construction, Maintenance and Facilities

SUBJECT: Discussion and/or Action to Adopt Resolution #2013/2014-29 Increase of School Developer Fees

The Mitigation Fee Act of 1986 (Govt. Code 66000 et seq.), updated by the Leroy F. Green School Facilities Act of 1998 (Ed. Code 17620), permits school districts to charge developers a fee for new construction and reconstruction on residential, commercial and industrial projects. These fees are commonly referred to as developer fees. Biannually, the State increases the amount of fees schools can levy based on a revised State formula. In January 2014, the State Allocation Board approved an increase that adjusted the developer fees for commercial and industrial to \$0.54, and for residential to \$3.36 per square foot.

In order to increase the fee it levies upon development, the District must document that an increase is warranted, publish a notice of public hearing, hold a public hearing, adopt a resolution regarding school facility/developer fees, and notify the City of San Jose and Santa Clara County of the adopted resolution.

Attached is Board Resolution #2013/2014-29 that sets forth the continued justification that would permit the District to collect developer fees up to the maximum allowed by law. In addition, attached is the Developer Fee Study dated June 2014, which justifies collection of the increased fee. The Study documents an analysis of existing facilities inventory, existing student capacity, enrollment projections, construction costs, average high school size and average new home size.

The District entered into an Agreement with its feeder districts on January 22, 1987, to allocate 33.33% of allowable developer fees to East Side Union High School District and 66.66% to feeder school districts. As such, with the Board's adoption of Resolution #2013/2014-29, the District's developer fee levy would be modified as

follows and would become effective August 19, 2014:

Development Type	ESUHSD Developer Fee Current (per square foot)	ESUHSD Developer Fee Effective August 19, 2014 (per square foot)
Residential	\$0.99	\$1.12
Commercial/Industrial	\$0.16	\$0.18

FISCAL IMPACT:

Not Applicable

FUNDING SOURCE:

Not Applicable

RECOMMENDATION:

It is recommended that the Board of Trustees adopt Resolution #2013/2014-29 Increase in School Developer Fees.

[2013201429 0619 9.02 Developer Fee Resolution \(1\).pdf \(93 KB\)](#)

[Resolution 2013201429 Presentation.pdf \(288 KB\)](#)

[Resolution 2013201429 Developer Fee Study.pdf \(1,401 KB\)](#)

EAST SIDE UNION HIGH SCHOOL DISTRICT
RESOLUTION NO. 2013/2014-29

RESOLUTION REGARDING THE INCREASE OF SCHOOL DEVELOPER FEES

WHEREAS, Education Code Section 17620 authorizes school districts to levy fees against development projects as set forth in Government Code Section 65995 *et seq.* to finance the construction and reconstruction of school facilities;

WHEREAS, pursuant to Government Code Section 65995(b)(3) the amount shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting;

WHEREAS, at the January, 2014, meeting of the State Allocation Board, a cost increase was approved raising the residential construction fee to \$3.36 per square foot and commercial construction to \$0.54 per square foot; and

WHEREAS, the East Side Union High School District has an agreement with the feeder elementary school districts as required by Education Code Section 17623 to distribute the fee on a basis that delivers 66.66% of the fee to the feeder elementary school districts and 33.33% of the fee to East Side Union High School District when both agencies assess the highest fee allowed.

NOW, THEREFORE, BE IT RESOLVED, THE BOARD OF TRUSTEES OF THE EAST SIDE UNION HIGH SCHOOL DISTRICT FINDS, DETERMINES AND RESOLVES as follows:

1. The District conducted a Developer Fee Study consistent with the requirements of Government Code sections 66001 and 65995 and Education Code 17623 in June, 2014, that demonstrated a full mitigation cost of \$3.77 per square foot of residential development and \$0.66 per square foot of commercial/industrial development to house students generated through new development.
2. There remains a reasonable relationship between the need for school facilities and the type of development on which the fees are imposed because, as set forth in the District's 2014 Developer Fee Study, the District lacks capacity to adequately house the existing students and new residential units generate students that cannot be housed without the construction of additional facilities or the modernization and expansion of existing facilities.
3. The District has, as set forth in the District's 2014 Developer Fee Study, demonstrated that the amount of the proposed fees or other requirements does not exceed the estimated reasonable cost of providing for the construction or reconstruction of the school facilities necessitated by the development projects from which the fees or other requirements are to be collected.

4. The Board conducted a properly noticed public hearing at a regularly scheduled meeting on June 19, 2014, at which time data supporting the cost of living adjustment and information contained in the District's Developer Fee Study was presented. Based upon this data, the Board hereby implements fees in the amount of \$1.12 per square foot of residential construction and \$0.18 per square foot of commercial/industrial construction; and
5. The effective date of the above mentioned fees is 60 days after adoption by the Board, August 19, 2014; and
6. The District will continue to review the above-mentioned Developer fee fund on a fiscal year and five year basis in accordance with Government Code Section 66001 and 66006.

PASSED AND ADOPTED by the Board of Trustees of the East Side Union High School District at its meeting held on June 19, 2014, as follows:

AYES: _____

NOES: _____

ABSENT: _____

ABSECTIONS: _____

I, Magdalena Carrasco, Clerk of the Board of Trustees, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Governing Board of the East Side Union High School District at a regular meeting held on June 19, 2014, which Resolution is on file in the office of said Board.

Clerk of the Board of Trustees