



SAN LUIS COASTAL UNIFIED SCHOOL DISTRICT

RESOLUTION 07-21-22

APPROVING AND ADOPTING THE 2020-2021 ANNUAL DEVELOPER FEE REPORT AND FIVE-YEAR DEVELOPER FEE FINDINGS (Government Code §§ 66001 & 66006)

WHEREAS, San Luis Coastal Unified School District (“District”) has levied statutory and/or other fees imposed on new development (“Developer Fees”) pursuant to various resolutions, including Resolution No. 17-17-18, dated May 1, 2018 which is referred to herein as the “School Facilities Fee Resolution” and incorporated herein by reference. These resolutions were adopted under the authority of Education Code section 17620;

WHEREAS, District has received and expended Developer Fees in fiscal year 2020-2021 in connection with school facilities (“School Facilities”) of the District;

WHEREAS, in accordance with California Government Code section 66006(a), District has established a separate capital facilities account or fund, more specifically identified as Fund 25, Capital Facilities Fund (“Account”), deposited these Developer Fees in the Account (including interest income earned thereon), maintained the Account in a manner to avoid any commingling of the Developer Fees with other revenues and funds of District, except for temporary investments, as applicable, and expended the Developer Fees solely for the purposes for which they were collected;

WHEREAS, Government Code section 66006(b)(1) provides that, within one-hundred-eighty (180) days after the last day of each fiscal year, the District shall make available to the public a “Developer Fees Report” containing the following information for the fiscal year:

- (i) A brief description of the type of Developer Fees in the Account;
- (ii) The amount(s) of the Developer Fee(s);
- (iii) The beginning and ending balance of the Account;
- (iv) The amount of the Developer Fees collected and the interest earned;
- (v) An identification of each District public improvement (“Project”) that Developer Fees were expended on, and the amount of the expenditures on each Project, including the total percentage of the cost of the Project that was funded with Developer Fees;

- (vi) An identification of an approximate date by which the construction of a Project will commence if the District determines that sufficient funds have been collected to complete financing on an incomplete Project, as identified in Government Code section 66001(a)(2), and the Project remains incomplete;
- (vii) A description of each interfund transfer or loan made from the Account, including the Project on which the transferred or loaned Developer 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 will receive on the loan; and
- (viii) The amount of refunds made pursuant to Government Code section 66001(e) and any allocations made pursuant to Government Code section 66001(f).

WHEREAS, Government Code section 66001(d) provides that for the fifth fiscal year following the first deposit of Developer Fees into the Account, and every five years thereafter, the District shall make all of the following “Findings” with respect to that portion of the Account remaining unexpended, whether committed or uncommitted:

- (i) Identification of the purposes to which the Developer Fees are to be put;
- (ii) Demonstration of a reasonable relationship between the Developer Fees and the purposes for which they are charged;
- (iii) Identification of all sources and amounts of funding anticipated to complete financing of the District’s incomplete Projects (“Anticipated Funding”); and
- (iv) Designation of the approximate dates on which the Anticipated Funding is expected to be deposited into the Account.

WHEREAS, when Findings are required by Government Code section 66001(d), they shall be made in connection with the Developer Fees Report required by Government Code section 66006;

WHEREAS, Government Code sections 66001(d) and 66006(b)(2) require the District’s Governing Board’s (“Board”) review of the Developer Fees Report information and proposed Findings at a regularly scheduled public meeting not less than fifteen (15) days after the Developer Fees Report is made available to the public and notice of the time and place of the meeting, including the address where the Developer Fees Report may be reviewed, has been mailed to anyone who has requested it pursuant to 66006(b)(2); and

WHEREAS, the District has substantially complied with all of the foregoing provisions.

NOW, THEREFORE, THE GOVERNING BOARD OF THE SAN LUIS COASTAL UNIFIED SCHOOL DISTRICT HEREBY RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

Section 1: That the foregoing recitals are true.

Section 2: That, pursuant to Government Code sections 66001(d) and 66006(b)(1) and (2), the District has made available to the public the requisite information and proposed findings concerning collection and expenditure of Developer Fees related to School Facilities for students resulting from new development within the District.

Section 3: That the District's Developer Fees Report for the 2020/2021 fiscal year contains the requisite information pursuant to Government Code section 66006(b)(1). The Developer Fees Report is attached hereto as Exhibit "A" and incorporated herein by reference.

Section 4: That the District's proposed five-year Findings concerning the Developer Fees contain the requisite findings pursuant to Government Code section 66001(d) and are made in connection with the public information set forth in the Developer Fees Report. The Findings are attached hereto as Exhibit "B" and incorporated herein by reference.

Section 5: That, pursuant to Government Code sections 66001(d)(2) and 66006(b)(2), the Board has reviewed the Developer Fees Report and proposed Findings at a public meeting not less than 15 days after the Developer Fees Report and proposed Findings were made available to the public and notice was mailed as required.

Section 6: That the Board hereby determines that all Developer Fees, collections, and expenditures have been received, deposited, invested, expended, and reported in compliance with the relevant sections of the Government Code and all other applicable laws.

Section 7: That the Board hereby determines that all refunds and allocations of Developer Fees have been paid and no refunds and allocations, as required by Government Code section 66001, are deemed payable at this time.

Section 8: That the Board hereby determines that the District is in compliance with Government Code section 66000, *et seq.*, relative to receipt, deposit, investment, expenditure, reporting, or refund of Developer Fees received and expended relative to School Facilities for students generated from new development.

Section 9: That the Board hereby approves and adopts the attached Developer Fees Report and Findings.

PASSED, ADOPTED, AND APPROVED by the Governing Board of the San Luis Coastal Unified School District this 16th day of November, 2021.

AYES: Mark Buchman, Eve Dobler-Drew, Kathryn Eisendrath-Rogers, Evelyn Frame, Marilyn Rodger, Ellen Sheffer, Chris Ungar

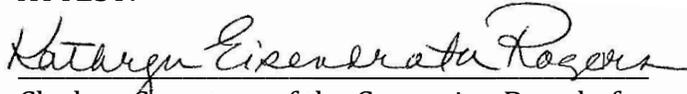
NOES: None

ABSENT OR NOT VOTING: None



President or Clerk of the Governing Board of
San Luis Coastal Unified School District

ATTEST:



Clerk or Secretary of the Governing Board of
San Luis Coastal Unified School District

EXHIBIT "A"

2020-2021 DEVELOPER FEE REPORT

ANNUAL PLAN

Revenues:

The district continues to see an increase in development in the district boundaries and in developer fee revenue. The Board of Education voted to increase the developer fee rate based on the latest statutory limits on May 1, 2018, the fee became effective 60 days thereafter. The new fee is \$3.79 per square foot for residential development projects and \$0.61 per square foot for commercial and industrial development.

Beginning Balance July 1, 2020:	\$ 495,939.57
Total Revenues for 2020-21:	\$3,541,186.12

Expenditures:

The district continually updates its enrollment projections and demographic information on an annual basis. The consultant who assisted the district is Decision Insite - Enrollment Impact Specialists. There are several new large and small housing developments under construction in the San Luis Obispo area, including San Luis Ranch, Avila Ranch, and the Orcutt Road Development.

The following is a list of developer fee projects that were started or completed in 2020-21, all due to increased enrollment and anticipated growth. The costs associated with the project are those for the 2020-21 school year, funding for these projects may run for more than one fiscal year.

1. Bishop's Peak Elementary School – Office Expansion
This facility has finished construction. There were some professional services (architecture, inspection, and testing) along with construction costs charged to this project. Bond Funds and Developer Fees were used to fund this project.
Total Cost: \$45,296.00
The total cost of the Bishop's Peak MPR and Office Expansion was \$8,286,972.39. Developer Fees funded 34.1% of this project.
2. San Luis Obispo High School – New Office Building/Theater
This facility has finished construction. There were some professional services (architecture, inspection, and testing) along with construction costs charged to this project. Bond Funds and Developer Fees were used to fund this project.
Total Cost: \$346,074.92
The total cost of this project was \$12,348,978.99. Developer Fees funded 2.8% of this project.

3. San Luis Obispo High School – Gym/Locker Room, Pool Renovations
This facility has finished construction. There were some professional services (architecture, inspection, and testing) along with construction costs charged to this project. Bond Funds and Developer Fees were used to fund this project.
Total Cost: \$1,472,785.81
The total cost of this project was \$10,064,785.06. Developer Fees funded 14.6% of this project.
4. Administration Costs associated with direct costs, consulting services, advertising and fees.
Total Cost: \$111,594.45

Total Expenditures for 2020-21:	\$1,975,751.58
Ending Balance:	\$2,061,374.11

There were no loans made from Fund 25 (Developer Fees) for any other purpose.
There were refunds in the amount of \$29,482.41 in 2020-2021.

Capital Facilities Fund 2020-21

BEGINNING BALANCE - July 1, 2020	\$ 495,939.57
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REVENUES:

Residential	\$ 3,532,034.17
Commercial	\$ 21,429.91
Interest Earned	\$ 17,204.45
Refunds	\$ (29,482.41)
TOTAL REVENUES	\$ 3,541,186.12

EXPENDITURES BY SITE:

Bishop's Peak MPR

Materials and Supplies	\$ 1,131.32
Non-Capitalized Equipment	\$ 4,069.93
Architect Fees	\$ 36,939.44

DSA Plan Check	\$	2,130.71
Inspection	\$	750.00
Other Construction	\$	275.00
	\$	<u>45,296.40</u>

SLOHS – Student Services Building/Admin

Architect Fees	\$	116,107.95
Inspection	\$	28,860.00
Preliminary Tests	\$	20,727.50
Construction	\$	175,219.32
Equipment	\$	5,160.15
	\$	<u>346,074.92</u>

SLOHS – New Pool/Gym Renovations

License Permits	\$	1,237.50
Architect Fees	\$	47,929.15
Inspection	\$	35,580.00
Preliminary Tests	\$	21,336.25
Construction	\$	1,267,803.20
Equipment	\$	98,899.71
	\$	<u>1,472,785.81</u>

Direct Costs for Interfund Service	\$	105,719.45
Professional Consulting Services	\$	5,875.00
	\$	<u>111,594.45</u>

TOTAL EXPENDITURES

\$ 1,975,751.58

ENDING BALANCE - June 30, 2021

\$ 2,061,374.11

EXHIBIT “B”

Five-Year Developer Fee Findings

The following findings are made in connection with the public information set forth in San Luis Coastal Unified School District’s Developer Fee Report.

- A. With respect to only that portion of the Developer Fees Account remaining unexpended at the end of the 2020-2021 fiscal year, the purpose of the Developer Fees is to finance the construction or reconstruction, including refurbishment, of School Facilities necessary to accommodate student population growth resulting from development and reduce overcrowding caused by the development on which the fees were levied. As necessary, the fees will be used to provide interim housing for children generated by new development and for other school-related considerations relating to the District’s ability to accommodate enrollment growth generated from new development as permitted by law. Projects (and other school-related considerations) include, without limitation, the following:

<u>Project</u>	<u>Estimated Cost</u>
1. Justification Study	\$25,000
2. School Facilities Needs Analysis	\$75,000
3. San Luis Obispo High School Restroom and Classroom Additions and Modernization to Accommodate Future Growth Needs	\$10,000,000
4. Transitional Kindergarten Rooms and Restrooms	\$10,000,000

Note: The District has commissioned and will continue to update site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District’s long-term facility needs. These documents will include lists of recommended projects, in order of need and priority. There has been an influx of students at SLOHS and while most of the construction and modernization work is being paid for by Measure D, there is not enough current bond funds to pay for all of the needs. Developer fees will be used to supplement the bond funds for the projects required by a growth in students. We will continue to look at the developments in our district boundaries and utilize developer fees to accommodate student growth when necessary. There is also a new law that will make SLCUSD implement full transitional kindergarten for all 4 year olds. This growth of students at 9 of our 10 elementary sites will require modernization or new classrooms and restrooms to accommodate.

- B. There is a reasonable relationship between the Developer Fees charged for residential and commercial/industrial development and the purposes for which

they will be expended, as described in Paragraph A, in that the students that are generated by residential and commercial/industrial development will be accommodated by the School Facilities for which the Developer Fees are expended. The District does not have adequate facilities to accommodate students from new development, thus there is a reasonable relationship between the Developer Fees charged and the need for construction and reconstruction, including refurbishment, of School Facilities. The Developer Fees collected do not exceed the cost of accommodating students generated by development. Rather, the Developer Fees only partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the School Facilities necessary to accommodate student growth.

- C. With respect to only that portion of the Developer Fees Account remaining unexpended at the end of the 2020-2021 fiscal year, the sources and amounts of anticipated funding to complete financing of any incomplete improvements identified in Paragraph A are as follows:

<u>Anticipated Source of Funding</u>	<u>Anticipated Amount of Funding</u>
1. State Funding Program Funds	\$8,210,827
2. General Obligation Bond Proceeds	\$65,000,000
3. State Eligibility Funding Received	\$3,400,000
4. Developer Fees	\$10,000,000
Total Anticipated Funding:	\$86,610,827

Note: The District has commissioned and will continue to update site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District's long-term facility needs. These documents will include lists of recommended projects, in order of need and priority. Developer Fees will be included in the funding model, to address construction/renovation (refurbishment) needs resulting from increased student enrollment due to development. Accordingly, the 2020-21 resolution will reflect the project funding plan outlined in these documents.

- D. With respect to only that portion of the Developer Fees Account remaining unexpended at the end of the 2020-2021 fiscal year, the following are the approximate dates on which the Anticipated Funding referred to in Paragraph C above is expected to be deposited into the Account:

<u>Anticipated Source of Funding</u>	<u>Approximate Dates Funding Expected</u>
1. State Funding Program Funds	2020-2021 We have been awarded and have received \$8,210,827 in state funding.
2. General Obligation Bond Proceeds	2020-21

	All Measure D Bonds have been sold and the funds are currently in our bond fund account.
3. State Eligibility Funding Received	Unknown We are putting in our request to receive modernization funds at any project with eligibility.
4. Developer Fees	Ongoing We expect to receive approximately \$2 million annually.

Several projects are currently underway that require developer fee funds to complete as well as some the Board will need to consider due to growth. Completion of these projects will provide the classroom and facility space needed for increased student population.

San Luis Obispo High School:

Additional Facilities Required by Student Growth TBD

Transitional Kindergarten:

Additional Facilities Required by Student Growth TBD

Measure D funds are the main source of money to complete a majority of the projects, developer fees will be used to supplement the costs associated with projects needed to accommodate student growth. With the increase in potential building and growth in southern San Luis Obispo, the district will also need to look into the purchase of property for an additional school site in that area. We are seeing additional growth at our middle and high schools currently. The addition of transitional kindergarten at 9 out of 10 elementary schools will require new age appropriate classrooms and restrooms. The district continuously monitors our student and school populations on an annual basis.