

Developer Fee Annual Report

December 10, 2019

Background

In 1986 the California Legislature authorized school districts and other agencies to levy school impact or developer fees to fund school facilities. Developer fees are subject to an inflationary increase, authorized by the State Allocation Board in every even year.

Recent fee amounts are:

Year	Residential (per Sq. Ft)	Commercial (per Sq. Ft)
2014	\$3.36	\$0.54
2016	\$3.48	\$0.56
2018	\$3.79	\$0.61

A justification study is required whenever a district wants to charge or increase developer fees. LGSUHSD's last justification study was in the 18-19 School year. At that time the study justified fees at the current rates of \$3.79 and \$0.61.

The fees are collected by the elementary feeder districts and are split with them.

Proceeds from Developer Fees must be maintained in a separate account. Fund 25 has been established for this purpose.

Annually all agencies collecting fees must make accounting information publicly available, within 180 days from the end of the fiscal year. The report must be publicly available 15 days prior to board action to adopt a resolution affirming the reported information and making necessary findings.

Annual Reporting Requirements

Description of the type of fee in the account: Fund 25 contains proceeds of all developer fees and interest received by the district. Developer fees are also charged by three of the four feeder districts to Los Gatos-Saratoga Union School District. The maximum fee that can be charged to a developer is the amount contained in the relevant justification studies for the school district(s) in which the development is located. This leads to revenue sharing arrangements between the elementary districts and the high school district. The fee split is based on the 13 grades from kindergarten to twelfth grade. The fee that is collected is therefore 9/13 to the elementary district and 4/13 to the high school district. Developers pay their fees at the elementary districts and the high school district's fees are then remitted to it. The one exception is Lakeside School District, which is declining in enrollment and therefore has not undertaken a justification study. Any developer fees coming from the Lakeside attendance area are paid at the high school district and the fee does not have to be shared.

The Amount of the Fee: Fees collected are \$3.79 per square foot for residential and \$0.61 for commercial, prorated.

The Beginning and ending Balances in the Account:

	2014-15	2015-16	2016-17	2016-18	2016-19
Beginning Balance	\$ 635,873	\$ 649,428	\$ 849,726	\$ 958,229	\$ 841,839
Ending Balance	\$ 649,428	\$ 849,726	\$ 958,229	\$ 841,839	\$ 596,664

The Amount of Fees Collected and Interest Earned:

	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue					
Interest	\$ 3,088	\$ 5,090	\$ 8,565	\$ 12,444	\$ 14,640
Developer Fees	\$ 199,519	\$ 372,398	\$ 268,278	\$ 289,967	\$ 197,148
	\$ 202,607	\$ 377,488	\$ 276,843	\$ 302,411	\$ 211,788

An identification of each public improvement on which fees were expended, including the percentage of the cost of the improvement that was funded with fees:

The district issued certificates of participation that were issued in 2001 and 2008 in part to help fund a new science wing at Los Gatos High school (2001) as well as facilities improvements for the MAP program at Saratoga High School and facilities for the NOVA program (2008). Debt was issued because the district had unmet facility needs and prior bond funding was fully expended. The district is using developer fees to service the debt on the COP debt, with approximately 1/3 of the cost coming from developer fees and 2/3 coming from the General Fund.

A Description of each inter-fund transfer of loan: No inter-fund transfers or loans have been made from the Developer Fee Fund.

The Amount of any Refunds made for fees Unexpended and Uncommitted after Five Years: There were no refunds and no uncommitted funds

Five Year Summary of Developer Fees

	2014-15	2015-16	2016-17	2017-18	2018-19	
Revenue						
Interest	\$ 3,088	\$ 5,090	\$ 8,565	\$ 12,444	\$ 14,640	
Developer Fees	\$ 199,519	\$ 372,398	\$ 268,278	\$ 289,967	\$ 197,148	
	\$ 202,607	\$ 377,488	\$ 276,843	\$ 302,411	\$ 211,788	
Expenditures						
Facility Rentals	-	-	-	-	28,870	Modular Classroom Rental
Advertising-Legal	1,062	-	-	-	1,380	Notice of Public Hearing
Consultant	5,000	-	-	-	-	Justification Report
Debt Service	182,990	177,191	168,340	418,801	426,713	Certificates of Participation
	189,052	177,191	168,340	418,801	456,963	
Revenue - Expenditures	13,555	200,298	108,502	-116,390	-245,175	
	2014-15	2015-16	2016-17	2016-18	2016-19	
Beginning Balance	\$ 635,873	\$ 649,428	\$ 849,726	\$ 958,229	\$ 841,839	
Ending Balance	\$ 649,428	\$ 849,726	\$ 958,229	\$ 841,839	\$ 596,664	