

PAJARO VALLEY UNIFIED SCHOOL DISTRICT DEVELOPER FEES

The purpose of the fees is to provide adequate school facilities for the students of the District who will be generated by residential and commercial/industrial development in the District. The fees are to be used for Modernization, New Construction and/or expansion of the District's Schools.

The fee may be applied to construction only as follows:

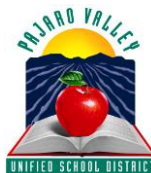
(a) Residential construction, including the location, installation of manufactured homes and mobile homes, (\$5.81) per square foot of assessable space. The amount of the square footage within the perimeter of a residential structure shall be calculated by the building department of the city or county issuing the building permit, in accordance with the standard practice of that city or county in calculating structural perimeters.

(b) Commercial, Industrial or agriculture construction, (\$0.78) per square foot of chargeable covered and enclosed space as determined by the building department of the city or county issuing the building permit, in accordance with the building standards of that city or county.

No fee may be applied to the reconstruction of any residential, commercial, or industrial structure that is damaged or destroyed as a result of a Natural Disaster, except to the extent the square footage of the reconstructed structure exceeds the square footage of the structure that was damaged or destroyed. That square footage comparison shall be made, in the case of a commercial or industrial structure, based on chargeable covered and enclosed space, as defined in Section 65995.5 and 65995.7 of the Government Code.

The following definition applies to the no fee required:

"Natural Disaster" means a fire, earthquake, landslide, mudslide, flood, tidal wave or other unforeseen event that produces material damage or loss.



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MAINTENANCE, OPERATIONS & FACILITIES DEPARTMENT

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School Developer Fees

Pursuant to Board Resolution 22-23-03 Level 1
Commercial & Senior Fees were Board Approved on
July 27, 2022, Effective Sept. 25, 2022

Pursuant to Board Resolution 22-23-04 Level 2
Residential Fees were Board Approved on July 27, 2022,
Effective July 28, 2022

The logo for Pajaro Valley Unified School District is overlaid on a background image of a school building. The text "Pajaro Valley" is in a large, blue, serif font, and "Unified School District" is in a smaller, blue, serif font below it. The background image shows a school building with large windows and a red door.

DEVELOPER FEE INFORMATION

LEVEL 1 FEES

California school districts have 33 years of legal authorization to levy fees on residential and commercial/industrial development. As set forth in Education Code Section 17620, "The governing board of any school district is authorized to levy a fee, charge, dedication or other form of requirement against any development project within the boundaries of their district for the purpose of funding the construction or reconstruction of school facilities" subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of the Government Code. The original fees referred to as Level 1 fees, are limited by law to maximum amounts. These amounts are currently \$4.79 per sq. foot for residential development and \$0.78 per sq. foot for commercial & industrial development/senior housing. The limits are adjusted for inflation every two years by the State Allocation Board (SAB) based on the statewide index for Class B Construction. SAB will adjust Level 1 Fees in January 2024.

LEVEL 2 & LEVEL 3 FEES

In many districts, Level 1 fees are inadequate to mitigate the cost of the impacts from new development. In 1998, the California legislature passed Senate Bill 50, the provisions of which became effective upon approval of Proposition 1A in November 1998, the authorization of \$9.2 billion in bonds to fund school construction and modernization, before the voters. The bill also enacted into law alternative fees, usually referred to as Level 2 and Level 3 fees, which under certain conditions, may be levied by school districts in California. Set forth in Government Code Sections 65995.5, the fees apply only to residential development. Unlike Level 1 fees, the amount that can be levied is not constrained by a limit, though specific rules govern how the amount of the fee is determined. Level 2 fees are purported to cover about 50% of the school cost impact, in effect assuming that state funding is available to pay for the other half. (Most districts find the amounts to be inadequate.) Level 3 fees are based on the full costs without state aid levied only if the State Allocation Board determines that state funding for new construction is not available. The current \$5.81

per square foot residential fee would increase to more than \$10.95 per square foot if the circumstances permitting Level 3 arise. The amounts of the fees are determined through a legislated set of analysis known as a *School Facilities Needs Analysis*. The SFNA documents the enrollment growth associated with the new development, the availability of capacity to house that enrollment, facility cost impacts and the resulting fee per square foot for a district levying the alternative fees. The SFNA is available on the PVUSD Maintenance & Operations website at www.pvusd.net/construction. Click on the Developer Fees icon and look for the SFNA Level 2 link.

CURRENT SCHOOL DISTRICT FEES

The Pajaro Valley Unified School District has levied Level 2 fees for 30 years. One of the reasons for doing so is the legal requirement that California districts receiving hardship funding must have made all reasonable efforts to impose all levels of development fees and the Office of Public School Construction policy that districts receiving state construction grants should meet the same requirement. The District has documentation prepared showing it meets the prerequisites required by the legislation for it to levy alternative fees and doing the calculations necessary to determine the amount of the fee.

The School Board of Trustees authorized the collection of Developer Fees on residential and commercial/industrial developments as follows:

<u>Residential</u>	<u>\$5.81 per Sq. Ft.</u>
<u>Commercial/Industrial/Agriculture</u>	<u>\$0.78 per Sq. Ft.</u>
<u>Senior Housing Development</u>	<u>\$0.78 per Sq. Ft.</u>

The two categories identified with a lower fiscal impact have fees as follows:

<u>Parking Structures</u>	<u>\$0.07 per Sq. Ft.</u>
<u>Self-Storage Facilities</u>	<u>\$0.10 per Sq. Ft.</u>

Per California Government Code 65995 subsection (b1 and b2) Costs associated with new development are levied on a per square foot basis. The department of the city or county issuing the building permit, in accordance with the building standards of that city or county shall make the determination of the chargeable, assessable, covered and enclosed space within the perimeter of the structure. No city or

county may issue a building permit for any development absent certification by the appropriate school district of compliance with any fee levied by the governing board of the school district.

APPEAL PROCESS

AR7211 Appeals Process for Protests by Developers Updated 06-2008

Developers of residential, commercial and industrial projects who claim that the developer fees have been inappropriately levied shall use the following procedures: (Government Code 66020)

1. The developer shall tender any required payment in full or provide satisfactory evidence of arrangements to pay the fee when due or ensure performance of the conditions necessary to meet the requirements of the imposition.
2. The developer shall serve written notice to the Board. This notice shall include:
 - a. A statement that the required payment is tendered or will be tendered when due, or that any conditions which have been imposed are provided for or satisfied, under protest
 - b. A statement informing the Board of the factual elements of the dispute and the legal theory forming the basis for the protest.
3. The protest will be filed at the time of approval or conditional approval of the development or within 90 days after the date of the imposition of the fees. At the time of the imposition of the fee, the Superintendent or designee shall provide each project applicant written notice that the 90-day period in which the applicant may initiate a protest has begun. The developer may file an action to attack, review, set aside, void or annul the imposition of the fees imposed on the development project within 180 days of delivery of the notice. (Government Code 66020)