

**METHODS OF FINANCING**

As economic development continues and homes and apartments multiply, school facilities must be built or expanded to accommodate a growing number of students. With time, safety considerations and educational program changes may require the reconstruction of existing facilities. The purchase of school sites and the construction of buildings may be financed by any legally provided means which the District is qualified to employ.

The District will seek funding for required additional facilities through its continued aggressive pursuit of state funds; the ongoing use of Mello-Roos Community Facilities Districts; the collection of developer fees; and the utilization of other capital facilities funding mechanisms. (Doc #1)

**Developer Fees**

In order to finance the construction or reconstruction of school facilities needed to accommodate students coming from new development, the Board may levy developer fees on residential, commercial and industrial construction within the District, subject to restrictions specified by law. (Government Code 53080, 65995)

**Findings/Fee Levying/Exemptions**

Before levying developer fees, the Board shall make all findings required by law. Findings shall show a reasonable relationship between the construction or reconstruction on which the fee is imposed and the need for school facilities. A reasonable relationship also shall be found between the amount of the fee and the cost of the needed school construction. All decisions to levy fees shall be based upon such reasonable relationships. Exemptions from fees shall be granted when reasonable relationships cannot be shown.

Before levying developer fees, the Board shall schedule a public hearing at which it may adopt the resolutions required by law. Information on the anticipated amount of fees, other available funds and funding sources, and the estimated cost of planning, land acquisition and school construction shall be available to the public at least 10 days before the hearing. Notice of the hearing shall be given as required by law. (Government Code 54954.1, 54992)

The resolution adopted by the Board shall state the Board's findings which justify the fees and the conditions which have been met to allow collection of the fees at the time when building permits are issued.

The Superintendent or designee shall establish procedures for the timely and consistent levying of developer fees in accordance with the requirements of law. He/she shall cooperate with local governmental agencies in issuing building permits. Before a permit is issued, the Board shall certify that the fee has been paid or that the District has determined that the fee does not apply to the development project. (Government Code 53080)

**METHODS OF FINANCING** (continued)

The Board shall regularly review its school construction plans to evaluate its capital needs and its need for developer fees.

Fees may be revised in accordance with the increase legally allowed for inflation as determined every two years by the State Allocation Board. (Government Code 65995)

Developer fees shall be deposited, invested, accounted for and expended pursuant to Government Code 66006.

The District shall annually make findings regarding any portion of the fee remaining unexpended or uncommitted in its account five or more years after deposit. The Board will take action based on its findings in accordance with law. (Government Code 66001)

Developer fees shall be deposited in a separate capital facilities account, except for temporary investments allowed by law, and shall be used only for the purpose for which they were collected. Interest income earned by the capital facilities account shall also be deposited in that account and used only for the purpose for which the fee was originally collected. (Government Code 66006)

For each separate account so established, the District shall, within 60 days of the close of each fiscal year, make available to the public the beginning and ending balance for the fiscal year; the fee, interest and other income received; the amount of expenditure; and the amount of refunds made pursuant to Government Code 66001. The Board shall review this information at the first regularly scheduled public Board meeting which occurs 15 days after the information is made available to the public. (Government Code 66006)

**Appeals Process**

The Superintendent or designee shall establish an appeals process for the handling of protests, including protests made pursuant to Government Code 66008.

*Legal Reference: (See next page)*

**METHODS OF FINANCING (continued)**

*Legal Reference:*

EDUCATION CODE

- 15100-15592 Bonds of School District*
- 15700-15754 General Provisions (State School Building Aid Law of 1949)*
- 15900-15913 State School Building Aid Bond Law of 1949*
- 16000-16106 State School Building Aid Law of 1952*
- 16600-16613 State School Building Aid Bond Law of 1957*
- 16700-16713 State School Building Aid Bond Law of 1958*
- 17300-17334 Urban School Construction Aid Law of 1968*
- 17680-17693 State School Building Lease-Purchase Bond Law of 1982*
- 17695-17695.95 State School Building Lease-Purchase Bond Law of 1984*
- 17696-17696.98 Greene-Hughes School Building Lease-Purchase Bond Law of 1986*
- 17701-17758 State School Building Lease-Purchase Law of 1976*

GOVERNMENT CODE

- 53080 Levies against development projects by school districts*
- 53080.1 Procedures for levying fees*
- 53080.2 Agreements between districts*
- 53080.3 Refund of fee or charge*
- 53080.4 Levies against manufactured home or mobile home*
- 53080.6 Fee not allowable for reconstruction of structure damaged by disaster*
- 53080.15 School districts; levies on enclosed agricultural space*
- 53081 School districts; use of fees on construction*
- 53175-53179.5 Integrated Financing District Act*
- 53311-53317.5 Mello-Roos Community Facilities Act of 1982*
- 54954.1 Mailed notice to property owners*
- 54992 New or increased levies; meetings; notice; ordinance and resolution*
- 65864-65867 Development agreements*
- 65962 Single or multifamily development projects; adoption or increase of fee or charge*
- 65970-65980.1 Interim school facilities*
- 65995-65997 Payment of fees, charges, dedications or other requirements against a development project*
- 66000-66009 Fees for development projects.*