



# Developer Fee Justification Study

## Novato Unified School District

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**Prepared for:**

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## EXECUTIVE SUMMARY

The Novato Unified School District (NUSD, “the District”) serves the City of Novato, California and some surrounding areas of unincorporated Marin County. The District serves a total of 7,793 K-12th grade students at seven elementary schools, one K-8 school, one charter K-8 school, two middle/intermediate schools, two high schools, one continuation high school, and one independent study program.

In January 2020, the State Allocation Board’s biennial inflation adjustment changed the fee to \$4.08 per square foot for residential construction and \$0.66 per square foot for commercial/industrial construction. The following Developer Fee Justification Study demonstrates the District is justified in collecting the statutory Level I residential and statutory commercial/industrial fees on future development based on the following analysis:

- The District’s total enrollment at its school sites in 2019-20 was 7,793 students;
- Based on State loading standards, the District has a classroom capacity of 9,405 students;
- The City of Novato and Marin County planning departments collectively estimate a total of 1,004 new residential units to be constructed over the next twenty years. These units will be a mix of single-family (481 units) and multi-family (523 units);
- It is estimated that the weighted average square footage of new homes will be 1,383 square feet;
- Student generation rates, based on a weighted average of surveys of recently constructed units of each type within the District, are 0.244 K-12th grade students per unit;
- The 1,004 new units are projected to generate 245 K-12th grade students for the District to house;
- Many District facilities are over 25 years old and in need of modernization to continue housing existing students and students generated by new development at the existing level of service over the next 20 years;
- It is fiscally more prudent to extend the useful life of an existing facility than to construct new facilities when possible;
  - The cost to modernize facilities is approximately 41.4% of the cost to construct new facilities;
  - The total estimated cost to reconstruct and/or modernize facilities for the students generated from new development is \$8,042,125.
- Based on the cost of reconstructed school facilities, the impact equates to \$5.79 per square foot of residential development;
- All categories of commercial/industrial development except for mini-storage create a modernization cost to the District of \$1.41 per square foot;
- Mini-storage construction creates a cost of \$0.03 per square foot;
- The District is justified to adopt statutory Level I Developer Fees, currently \$4.08 per square foot for residential construction and \$0.66 per square foot for commercial/industrial construction, except for mini-storage which should be charged at \$0.03 per square foot.

## DEVELOPER FEES: BACKGROUND

School districts are continually engaged in construction and/or improving capital facilities throughout their districts. Districts may use various sources of funds for these capital facility projects, including developer fees, State program funds, redevelopment funds, certificates of participation, sale of capital assets, and mitigation measures. In September 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986), which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620, et seq. which states in part "...the governing board of any school district is authorized to levy a fee, charge, dedication or other requirement against any construction within the boundaries of the district for the purpose of funding for the construction or reconstruction of school facilities."

School districts were provided a mechanism to assist in funding with the adoption of the Mitigation Fee Act (Government Code Section 66000 et seq.). This act governs the imposition of fees by a district as a condition of approval of a development project. In order to impose such a fee, a reasonable connection must exist between the new development and the construction and/or improvement of school facilities for which the fees are to be assessed.

Level I fees (also known as statutory fees) are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. With the passage of SB50 in 1998, a cap was placed on the amount that could be charged under the Level I fee calculation. The law allowed for adjustments of the cap as noted in Government Code Section 65995(b)(3), which specifies in part that "...fees shall be increased every two years, 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."

Level II developer fees are outlined in Government Code Section 65995.5 and allow a school district to impose a higher fee on residential construction only if certain conditions can be met and a study conducted to provide justification for the higher residential fee per square foot.

Currently (January 2020), Government Code Section 65995 authorizes school districts to collect statutory fees on future development of no more than \$4.08 per square foot for residential construction and \$0.66 for commercial/industrial construction (Level I fees).

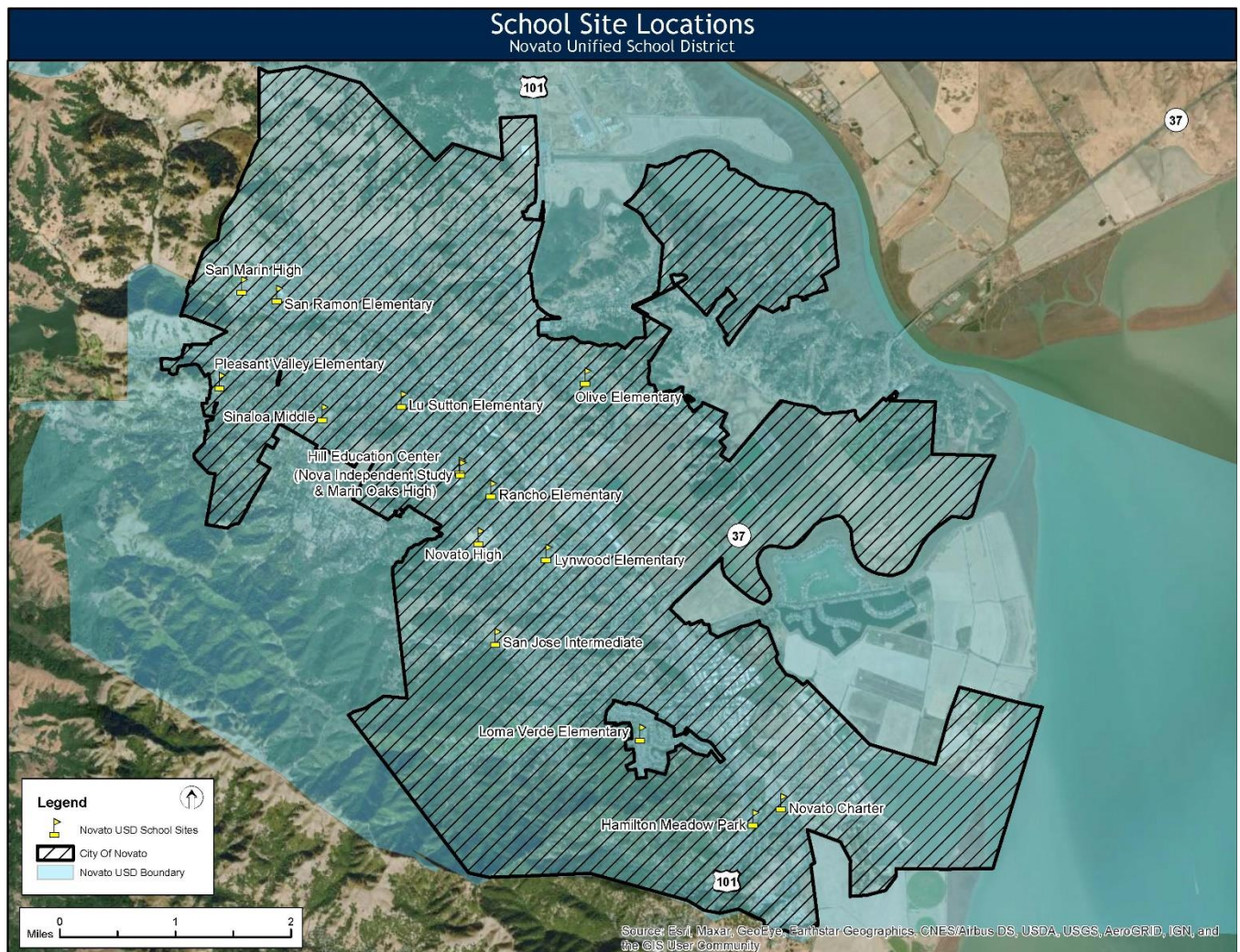
The following sections of the study will show that justification exists for levying developer fees in the Novato Unified School District.

# DEVELOPER FEE JUSTIFICATION: RESIDENTIAL DEVELOPMENT

## Novato Unified School District

The Novato Unified School District serves the City of Novato, California and some surrounding areas of unincorporated Marin County. The District serves K-12th grade students and has seven elementary schools, one K-8 school, one charter K-8 school, two middle/intermediate schools, two high schools, one continuation high school, and one independent study program. Figure 1 provides the location of the District's school sites.

**Figure 1. Novato Unified School District School Site Locations**



## Capacity and Enrollment

The District's capacity calculation utilizes State loading standards of 25 TK-6th grade students per classroom and 27 7th-12th grade students per classroom. Classroom counts are based on the District's documentation filed with the Office of Public School Construction as part of its New Construction eligibility establishment and updates. Table 1 outlines the capacity vs. the enrollments for the current school year, noting unused capacity.

**Table 1. District Capacities and Enrollments**

| <b>Capacity</b> | <b>2019-20 Enrollments</b> | <b>Unused Capacity</b> |
|-----------------|----------------------------|------------------------|
| <b>9,405</b>    | <b>7,793</b>               | <b>1,612</b>           |

## Projected Residential Development

Residential development generates students for the District to house in facilities, new and/or renovated. Therefore, it is imperative to research residential development to project growth and associated student generation within the District. According to the Planning Division of the City of Novato, 366 single-family units and 523 multi-family units may be constructed within the District over the next 20 years. The Community Development Agency for the County of Marin estimates an additional 115 single-family units may be constructed within the next 20 years. In total, 1,004 new residential units are estimated to be constructed over the next 20 years.

## Student Generation Rates

The average number of students generated by each housing unit provides a student generation rate or "yield factor". The number of students emanating from new housing units within the District's boundaries was assessed for the District by surveying recently constructed housing units in comparison with the 2019-20 NUSD student list to see how many students, by grade level, are generated by a new home. King Consulting surveyed 245 recently built single-family homes within NUSD, which collectively generated 56 students, for a K-12th grade student generation rate of 0.229. 224 multi-family units were also surveyed, which generated 58 K-12th grade students for a multi-family student generation rate of 0.259.

By using the numbers of each type of unit projected to be built in the District over the next 20 years, a weighted average is determined for their student generation rate. The number of students expected to be generated by each type of residential development are totaled and divided by the total number of all residential units to obtain this weighted average. This calculation is shown in Table 2. This weighted student generation rate can then be applied to the projected housing units to assist in determining the new students entering the District.

**Table 2. Student Generation Rates and Students Generated**

| <b>Development Type</b> | <b>Projected Number of Units</b> | <b>Student Generation Rate</b> | <b>Expected Students Generated</b> | <b>Weighted Student Generation Rate</b> |
|-------------------------|----------------------------------|--------------------------------|------------------------------------|---|
| Single-Family           | 481                              | 0.229                          | 110                                |   |
| Multi-Family            | 523                              | 0.259                          | 135                                |   |
| <b>Total</b>            | <b>1,004</b>                     |                                | <b>245</b>                         | <b>0.244</b>                            |

**Projected School Facilities Needs**

As demonstrated by Table 1 and Table 2, the Novato Unified School District has available capacity to house students generated by projected new residential development. However, as new students are generated by development, the need to increase the useful life of school facilities becomes more apparent. Only with regular modernization can the District maintain facilities to their current quality to ensure they can still be effectively used to house students over the next 20 years. Without the ongoing modernization of its existing facilities, NUSD schools may not be available to house students in the future. Education Code Section 17620 and Government Code Section 66001 (g) demonstrate the authorization to apply developer fees to modernization projects to refurbish existing facilities to maintain the existing level of service.

NUSD’s Board-approved Facilities Master Plan identifies numerous modernization projects across the District’s school sites along with their costs. Among the work identified are improved ADA path of travel, playground surface repairs, exterior painting, electrical infrastructure upgrades, and upgrades to classrooms to support 21st-Century education. In addition, the District is undertaking work to replace portable classrooms with permanent facilities as it is feasible. Providing up-to-date classrooms, labs, and learning technology is an essential component of preparing students to succeed in a competitive economy.

Based on costs detailed in its 2016 Facilities Master Plan, the District estimates a total need of \$415,114,229 based on all identified projects. Even after applying \$222,000,000 in Measure G bond funding, this creates a shortfall of more than \$193 million.

To calculate the modernization needs generated by students from new development, the District must analyze the number of new units to be constructed, the square footage of those units, and, utilizing the weighted student generation rate, the number of students to be generated by those developments. Once this analysis is completed, the per pupil cost to house those students can be calculated based on the cost to modernize facilities. To calculate a weighted average square footage, the average square footage for each type of residential development, as supplied by the City of Novato and County of Marin, are multiplied by the number of units expected to be constructed. This provides a total square footage, which is divided by the total number of units to produce the average square footage for all units. These calculations are shown in Table 3.

**Table 3. Housing Units and Calculation of Weighted Square Footage**

| Residential Type | Total Projected Housing Units | Average Square Footage | Total Projected Square Footage | Weighted Average Square Footage |
|------------------|-------------------------------|------------------------|--------------------------------|---------------------------------|
| Single-Family    | 481                           | 1,800                  | 865,800                        |                                 |
| Multi-Family     | 523                           | 1,000                  | 523,000                        |                                 |
| <b>Total</b>     | <b>1,004</b>                  |                        | <b>1,388,800</b>               | <b>1,383</b>                    |

**New Construction Cost vs. Modernization**

The cost per student to construct new school facilities within the Novato Unified School District is \$79,286 as shown in Table 4. Construction costs were provided by Van Pelt Construction Services (Appendix A). The cost to modernize facilities is 41.4% of new construction costs. This percentage is based on the comparison of the per pupil grant for the State School Facility Program modernization program and the State per pupil new construction grant. In addition, the State program provides additional grants for American with Disabilities Act (ADA) and Fire, Life and Safety (FLS). When analyzing the cost to construct new facilities, the State provides \$12,451 per K-6 pupil and \$4,741 to modernize facilities. For 7-8 pupils, the State provides \$13,169 for new construction and \$5,014 for modernization. Finally, for 9-12 pupils, the State provides \$16,756 per 9-12 pupil and \$6,565 to modernize facilities. The weighted average of the modernization grants is 38.4% of the new construction grants. However, this 38.4% is a base grant; once ADA and FLS are added into the grant, the percentage becomes 41.4% of the cost of new construction. Appendix B details the School Facility Program per pupil grant amounts.

**Table 4. Cost per Student for New Construction**

| Grade Level   | New Construction Cost per Student |
|---|-----------------------------------|
| K-5   | \$68,768                          |
| 6-8   | \$83,549                          |
| 9-12  | \$91,867                          |
| <b>Weighted Average</b><br><b><math>((\\$68,768*6)+(\\$83,549*3)+(\\$91,867*4))/13</math></b> | <b>\$79,286</b>                   |

Since the new construction cost per student is \$79,286, the modernization cost per student for the Novato Unified School District is 41.4% of this value, or \$32,825.

This modernization cost per student is multiplied by the total students generated from Table 2 to determine the District’s total modernization need (Table 5). Dividing the total modernization need by the



total projected square footage in Table 3 provides the modernization facilities cost per square foot (Table 6).

**Table 5. District Total Modernization Need**

| <b>Modernization Cost per Student</b> | <b>Total Students Generated</b> | <b>Total Modernization Need</b> |
|---------------------------------------|---------------------------------|---------------------------------|
| \$32,825                              | 245                             | \$8,042,125                     |

**Table 6. District Modernization Facilities Cost per Square Foot**

| <b>Total Modernization Need</b> | <b>Total Projected Square Footage</b> | <b>Facilities Cost per Square Foot</b> |
|---------------------------------|---------------------------------------|--|
| \$8,042,125                     | 1,388,800                             | \$5.79                                 |

The Novato Unified School District is justified in collecting residential developer fees at a rate that exceeds the current statutory Level I fee (\$4.08). Therefore, the District is justified to collect the full amount of the statutory fee per square foot of new residential construction.

## DEVELOPER FEE JUSTIFICATION: COMMERCIAL/INDUSTRIAL PROJECTS

California Assembly Bill 181 provides that a district “must determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the district. For the purposes of making this determination, the study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual project or categorical basis”. However, Assembly Bill 530 modified the requirements of AB 181 by allowing the use of a set of statewide employee generation factors. These factors are identified in the San Diego Association of Governments report, “San Diego Traffic Generators”. This study has become the standard in the industry for the calculation of the commercial/industrial fees.

### Commercial/Industrial Development Fee Calculations

The construction of commercial/industrial buildings within a community generates new employees and, therefore, new residents for a school district. The link between creating new jobs and student enrollment has been acknowledged by the State Allocation Board and in statute. The Legislature has also determined that if there is more impact than can be mitigated by residential fees, and some of this impact is caused by commercial/industrial development, then commercial/industrial development can also be charged fees. As shown above, the District is justified to collect a higher residential fee than the current statutory level.

To determine the impact of commercial/industrial development, several factors must be analyzed to calculate the modernization cost per square foot of this development. Assembly Bill 530 allows for the use of state-wide employee generation factors, specifically those derived from a report entitled San Diego Traffic Generators published by the San Diego Association of Governments in 1990. This report demonstrates the number of employees generated per square foot of commercial/industrial development, by category. Table 7 displays these categories and the number of employees generated for each square foot of space. An average employees/square foot value is then determined for NUSD based on these categories.

**Table 7. Commercial/Industrial Employee Generation Factors**

| <b>Development Category</b>   | <b>Employees/Square Foot</b> |
|-------------------------------|------------------------------|
| Agriculture                   | 0.00031                      |
| Banks                         | 0.00282                      |
| Commercial Offices            | 0.00478                      |
| Community Shopping Centers    | 0.00109                      |
| Corporate Offices             | 0.00268                      |
| Industrial Parks              | 0.00168                      |
| Industrial/Business Parks     | 0.00221                      |
| Lodging                       | 0.00155                      |
| Medical Offices               | 0.00427                      |
| Neighborhood Shopping Centers | 0.00362                      |
| Scientific R&D                | 0.00304                      |
| <b>Average</b>                | <b>0.00255</b>               |

Additional data is used to determine the base school facility impact incurred to the District by commercial/industrial development. As shown in table 8, the calculations also consider the percent of employees in the District who also live in the District, the number of households per employee, the students generated per household, and the modernization cost for each student. Data for percent of employees living in the District and households per employee are sourced from The United States Census Bureau’s 2018 American Community Survey. The weighted average of students generated per household was previously shown in Table 2, while the modernization cost per student was shown in Table 4.

**Table 8. Commercial/Industrial Base Cost per Square Foot (Except Mini-Storage)**

| <b>Employees/<br/>Square Foot</b> | <b>%<br/>Employees<br/>Living in<br/>District</b> | <b>Households<br/>per<br/>Employee</b> | <b>K-12<br/>Students<br/>per<br/>Household</b> | <b>Modernization<br/>Cost per<br/>Student</b> | <b>Commercial/Industrial<br/>Cost per Square Foot</b> |
|-----------------------------------|---|--|--|---|---|
| 0.00255                           | 0.306   | 0.765                                  | 0.244  | \$32,825                                      | <b>\$4.78</b>   |

It is important to note the mini-storage category of commercial development as an exception to the rates in Table 7. This type of development has a much lower impact than all other categories of commercial/industrial development, with only 0.00006 employees generated per square foot. Table 9 demonstrates the base cost per square foot for mini-storage development only.

**Table 9. Mini-Storage Base Cost per Square Foot**

| <b>Employees/<br/>Square Foot</b> | <b>%<br/>Employees<br/>Living in<br/>District</b> | <b>Households<br/>per<br/>Employee</b> | <b>K-12<br/>Students<br/>per<br/>Household</b> | <b>Modernization<br/>Cost per<br/>Student</b> | <b>Commercial/Industrial<br/>Cost per Square Foot</b> |
|-----------------------------------|---|--|--|---|---|
| 0.00006                           | 0.306   | 0.765                                  | 0.244  | \$32,825                                      | <b>\$0.11</b>   |

Having calculated the base costs per square foot for commercial/industrial development, a residential fee offset must be applied to account for the residential fee revenues the District will collect from homes associated with the employees generated by new commercial/industrial development. It is important to note that while this offset assumes all homes associated with new employees are new homes, in reality some of the new employees will live in existing homes. For the purpose of calculating the residential fee offset, it is estimated the District will collect the full statutory residential fee of \$4.08 per square foot. The weighted average square footage for a new home in the District was previously shown in Table 3. Table 10 shows the calculations for the residential fee offset for all commercial/industrial development except mini-storage, while Table 11 shows the calculation for mini-storage development.

**Table 10. Commercial/Industrial Residential Fee Offset (Except Mini-Storage)**

| <b>Employees/Square<br/>Foot</b> | <b>% Employees<br/>Living in<br/>District</b> | <b>Households<br/>per Employee</b> | <b>Average<br/>Square Feet/<br/>Household</b> | <b>Revenue per<br/>sq. ft. from<br/>Residential<br/>Fee</b> | <b>Residential<br/>Offset</b> |
|----------------------------------|---|------------------------------------|---|---|-------------------------------|
| 0.00255                          | 0.306   | 0.765                              | 1,383   | \$4.08  | <b>\$3.37</b>                 |

**Table 11. Mini-Storage Residential Fee Offset**

| <b>Employees/Square<br/>Foot</b> | <b>% Employees<br/>Living in<br/>District</b> | <b>Households<br/>per Employee</b> | <b>Average<br/>Square Feet/<br/>Household</b> | <b>Revenue per<br/>sq. ft. from<br/>Residential<br/>Fee</b> | <b>Residential<br/>Offset</b> |
|----------------------------------|---|------------------------------------|---|---|-------------------------------|
| 0.00006                          | 0.306   | 0.765                              | 1,383   | \$4.08  | <b>\$0.08</b>                 |

By subtracting the residential fee offset from the base commercial/industrial costs per square foot, the final school facility cost, which takes into account linked residential revenue, is determined. Table 12 shows the final commercial/industrial costs per square foot.

**Table 12. Commercial/Industrial Final Costs per Square Foot**

| <b>Development Type</b>            | <b>Base Cost per Square Foot</b> | <b>Residential Offset</b> | <b>Final Cost per Square Foot</b> |
|------------------------------------|----------------------------------|---------------------------|-----------------------------------|
| Mini-Storage                       | <b>\$0.11</b>                    | <b>\$0.08</b>             | <b>\$0.03</b>                     |
| All Other<br>Commercial/Industrial | <b>\$4.78</b>                    | <b>\$3.37</b>             | <b>\$1.41</b>                     |

The Novato Unified School District is therefore justified in collecting commercial/industrial developer fees at a rate that exceeds the current statutory Level I fee (\$0.66), with the exception of mini-storage development. Therefore, the District is justified to collect the full amount of the statutory \$0.66 fee per square foot of new commercial/industrial construction, except for mini-storage, which should be collected at \$0.03 per square foot.

## SUMMARY AND FINDINGS

This study finds that the Novato Unified School District is justified in the collection of the statutory developer fees per square foot of both residential and commercial/industrial construction. The District should move forward with adopting the new fees. This requires the District to follow the appropriate notices for a public hearing and meeting all noticing requirements.

This justification is based on the following conclusions of the study:

- While the District currently has capacity to house its students, there remains a need to modernize its school facilities to continue housing new students who are generated from new development at the existing level of service;
  - Modernization costs are 41.4% of new construction costs;
- Residential development will generate 0.244 K-12th grade students per unit for the District to house;
  - The District's modernization cost for students generated from residential development is \$5.79 per square foot;
- Commercial/Industrial calculations also indicate a cost to house pupils that would be generated from local housing as a result of residents moving into the District;
  - This modernization cost for students generated from commercial/residential development is \$1.41 per square foot, except for mini-storage development which is \$0.03 per square foot;
- The District meets the criteria to impose the statutory developer fee.

Due to these factors, the District should proceed with adopting the statutory Level I Developer Fees, currently \$4.08 per square foot for residential construction and \$0.66 per square foot for commercial/industrial construction, except for mini-storage which is charged at \$0.03 per square foot.

## LEVYING/ADMINISTRATION OF THE FEES

### Government Code 66016 Procedural Requirements

In order to levy the fees for residential and commercial/industrial construction, a school district must conduct one “public and open meeting” at a regularly scheduled board meeting. This meeting provides the public with an opportunity to comment on the proposed fees.

The following requirements must be met in order to conduct the public hearing:

1. Notice of the meeting must be published in a newspaper of general circulation twice prior to the meeting.
  - a) The first notice must be published at least 10 days prior to the meeting date.
  - b) During this notice period, the study must be made available to the public at sites where the document can be reviewed and/or obtained in writing. This accessibility should be included in the public notice.
2. At least 14 days prior to the hearing, a notice must be mailed to interested parties filing a written request for mailed notices. These parties may request and receive copies of the documentation supporting the fee.
3. At a regularly scheduled Board of Education meeting, the governing board will open a hearing and provide time for public comment on the matter. After receiving comments, the Board closes the hearing and acts on adopting the resolution to collect the fees.
4. The effective date of the new fees is 60 days following adoption of the board resolution.

### Urgency Adoption of Fees

Government Code 66017(b) allows a local agency to adopt the fees with urgency if the action is deemed by the Board of Education necessary to “protect the public health, welfare and safety.” This action requires a 4/5 vote of the governing board.

### Notification of Local Authorities

The governing board shall submit a copy of the adopted resolution to the local planning agencies.

### Administrative Requirements

The District must maintain a special account for the developer fees collected and any interest which accrues from the fees collected.

### Government Code Section 66001 (a) (2): Use of Fees

The District’s use of the fee will involve construction and/or reconstruction of school facilities and/or additional permanent facilities on existing school campuses. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed. Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

1. Design of School Facilities;
2. Purchase of land for School Facilities;
3. Construction or reconstruction of school facilities;

4. Testing and inspection of school sites and school buildings;
5. Interim school facilities to house students generated by new development while permanent facilities are being constructed;
6. Legal and administrative costs associated with providing facilities to students generated by new development;
7. Administration of the collection of developer fees; and
8. Miscellaneous purposes resulting from student enrollment growth caused by new residential development.

### Time Limitation

These collected developer fees must be used or encumbered within five years of collection or become refundable.

### Reporting Requirements

In the fifth fiscal year following the first deposit into the account or fund, and every five years thereafter, a district shall make an accounting available to the public. This accounting is required within 180 days after the last day of the fiscal year.

This accounting will identify a description of the fee and its amount as well as a beginning and ending fund balance. Also, in the report will be the portion of the collected funds that have been expended, those remaining funds, and the purpose to which those have been and will be put to use. The report must also identify the approximate date upon which a school district anticipates receiving adequate revenue to complete any improvements required as a result of students generated from residential or commercial construction projects.

### Government Code Section 66001 (a) (3): Use of Fees

Future residential development will cause new families to move into the District and, consequently, generate additional students in the District. In order to continue providing facilities at the existing level of service for future students, the District will need to modernize and/or reconstruct facilities. The fee's use is therefore reasonably related to the type of project upon which it is imposed.

In addition, new commercial/industrial development will cause new workers to move into the District. Because these workers will have school-age children, the District will need to provide facilities for these students. The fee's use is reasonably related to the type of project upon which it is imposed.

### Government Code Section 66001 (a) (4): Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed

As demonstrated in this report, current District school facilities require renovation/reconstruction to continue providing the existing level of service for the next 20 years. Existing residents and residents from new development, both residential and commercial/industrial, should share in these costs. Therefore, the need for adequate school facilities is directly related to the new residential and commercial/industrial development projects upon which the fee is imposed.



## REVENUE SOURCES/FUNDING FACILITIES

The District may also utilize other sources of funding for modernizing and/or reconstructing school facilities. These funding sources include:

### State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August, 1998. The new program, entitled the School Facility Program, provides funding under a “grant” program once a school district establishes eligibility. Funding required from districts is a 50/50 match for construction projects and a 60/40 match for modernization projects. While there is generally a shortfall between State funding and the District’s actual facility needs, the State monies aid in assisting the District in its facility needs.

### General Obligation Bonds

School districts can, with the approval of 2/3 or 55% of voters, issue General Obligation Bonds which are paid out of property taxes.

The Novato Unified School District was successful in passing Measure G in November 2016, which authorized \$222 million in bonds “to upgrade classrooms, science labs, libraries and facilities to meet current academic/safety standards; provide dedicated space for science, math, engineering, arts and music instruction; and improve student access to modern instructional technology.”

### Parcel Taxes

Approval by 2/3 of the voters is required to impose taxes that are not based on the assessed value of individual parcels. The revenues from these taxes are usually minor. Parcel taxes are typically not used for capital outlay. Instead, revenue from such programs is generally used to fund curriculum, instructional enhancements, and other non-facility related expenditures. The District’s voters did not pass the District’s most recent proposed Parcel Tax in March 2020.

### Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from 2/3 of the voters in an election.

## RECOMMENDATIONS

This report recommends that the Novato Unified School District levy the maximum statutory fee authorized by Government Code Section 65995 on new residential development (currently \$4.08 per square foot). This report also recommends that the Novato Unified School District levy the maximum statutory fee authorized by Government Code Section 65995 (currently \$0.66 per square foot) on all categories of commercial/industrial development (except mini-storage).

These recommendations are based on the findings that residential and commercial/industrial development create a school facility cost for the Novato Unified School District.

## SOURCES

California Basic Educational Data System. California State Department of Education. October Enrollments, 2019-20.

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California State Department of Finance. Population Research Division.

Cosca, Kris. Superintendent. Novato Unified School District.

Drumm, Kristin. Senior Planner. County of Marin.

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Hawkins, Yancy. Chief Financial Officer. Novato Unified School District.

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RealQuest Online Database.

San Diego Association of Governments. Traffic Generators, January 1990.

United States Census Bureau, 2018 American Community Survey.

Walker, Brett. Senior Planner. City of Novato.

**APPENDIX A**  
**CONSTRUCTION COSTS**



May 25, 2020

RE: Estimated Construction Costs  
Subject: Per-Student Costs at Novato Unified School District

To Whom it May Concern,

We have reviewed our records of past and present projects that involve recent new school Construction, within the Bay Area region. Using a formula based on escalation from projects in previous years, our estimate for the Novato Unified School District is as follows:

|   |              |
|---|--------------|
| Elementary School - capacity of 600 students: | \$41,260,985 |
| Construction cost per student                 | \$68,768     |

|  |              |
|--|--------------|
| Middle School - capacity of 1000 students: | \$83,549,471 |
| Construction cost per student              | \$83,549     |

|  |               |
|--|---------------|
| High School - capacity of 1800 students: | \$165,360,000 |
| Construction cost per student            | \$91,867      |

The estimated cost includes hard and soft expenses for constructing a new elementary school, middle school or high school. These costs exclude site acquisition. The above estimated costs are for the purposes of discussing State eligibility and developer fees, and are not intended for use in developing budgets for specific projects with unique conditions.

Thank you.

A handwritten signature in black ink, appearing to read 'Kelli Jurgenson', written over a horizontal line.

Kelli Jurgenson, Vice President  
VPCS

**APPENDIX B**  
**PER PUPIL GRANT AMOUNTS**

ATTACHMENT B

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

State Allocation Board Meeting, January 22, 2020

Grant Amount Adjustments

| New Construction   | SFP Regulation Section | Adjusted Grant Per Pupil Effective 1-1-19 | Adjusted Grant Per Pupil Effective 1-1-20 |
|--|------------------------|---|---|
| Elementary   | 1859.71                | \$12,197                                  | \$12,451                                  |
| Middle   | 1859.71                | \$12,901                                  | \$13,169                                  |
| High   | 1859.71                | \$16,415                                  | \$16,756                                  |
| Special Day Class – Severe   | 1859.71.1              | \$34,274                                  | \$34,987                                  |
| Special Day Class – Non-Severe   | 1859.71.1              | \$22,922                                  | \$23,399                                  |
| Automatic Fire Detection/Alarm System – Elementary                     | 1859.71.2              | \$15                                      | \$15                                      |
| Automatic Fire Detection/Alarm System – Middle                         | 1859.71.2              | \$20                                      | \$20                                      |
| Automatic Fire Detection/Alarm System – High                           | 1859.71.2              | \$33                                      | \$34                                      |
| Automatic Fire Detection/Alarm System – Special Day Class – Severe     | 1859.71.2              | \$61                                      | \$62                                      |
| Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.71.2              | \$43                                      | \$44                                      |
| Automatic Sprinkler System – Elementary                                | 1859.71.2              | \$205                                     | \$209                                     |
| Automatic Sprinkler System – Middle                                    | 1859.71.2              | \$243                                     | \$248                                     |
| Automatic Sprinkler System – High                                      | 1859.71.2              | \$253                                     | \$258                                     |
| Automatic Sprinkler System – Special Day Class – Severe                | 1859.71.2              | \$646                                     | \$659                                     |
| Automatic Sprinkler System – Special Day Class – Non-Severe            | 1859.71.2              | \$433                                     | \$442                                     |

ATTACHMENT B

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

State Allocation Board Meeting, January 22, 2020

Grant Amount Adjustments

| Modernization  | SFP Regulation Section | Adjusted Grant Per Pupil Effective 1-1-19 | Adjusted Grant Per Pupil Effective 1-1-20 |
|--|------------------------|---|---|
| Elementary   | 1859.78                | \$4,644                                   | \$4,741                                   |
| Middle   | 1859.78                | \$4,912                                   | \$5,014                                   |
| High   | 1859.78                | \$6,431                                   | \$6,565                                   |
| Special Day Class - Severe   | 1859.78.3              | \$14,802                                  | \$15,110                                  |
| Special Day Class – Non-Severe   | 1859.78.3              | \$9,903                                   | \$10,109                                  |
| State Special School – Severe  | 1859.78                | \$24,672                                  | \$25,185                                  |
| Automatic Fire Detection/Alarm System – Elementary                     | 1859.78.4              | \$151                                     | \$154                                     |
| Automatic Fire Detection/Alarm System – Middle                         | 1859.78.4              | \$151                                     | \$154                                     |
| Automatic Fire Detection/Alarm System – High                           | 1859.78.4              | \$151                                     | \$154                                     |
| Automatic Fire Detection/Alarm System – Special Day Class – Severe     | 1859.78.4              | \$415                                     | \$424                                     |
| Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.78.4              | \$278                                     | \$284                                     |
| Over 50 Years Old – Elementary   | 1859.78.6              | \$6,452                                   | \$6,586                                   |
| Over 50 Years Old – Middle   | 1859.78.6              | \$6,824                                   | \$6,966                                   |
| Over 50 Years Old – High   | 1859.78.6              | \$8,933                                   | \$9,119                                   |
| Over 50 Years Old – Special Day Class – Severe                         | 1859.78.6              | \$20,565                                  | \$20,993                                  |
| Over 50 Years Old – Special Day Class – Non-Severe                     | 1859.78.6              | \$13,752                                  | \$14,038                                  |
| Over 50 Years Old – State Special Day School – Severe                  | 1859.78.6              | \$34,273                                  | \$34,986                                  |