



NOVATO UNIFIED SCHOOL DISTRICT

**Business & Operations**

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**TO:** Board of Trustees

**FROM:** Joshua Braff, Chief Financial Officer

**DATE:** December 5, 2023

**RE:** Consent: Annual Accounting of Developer Fees for the Fiscal Year Ending June 30, 2023, and Five-Year Report for the Fiscal Year Ending June 30, 2023

**Board Priority/Goal(s)**

1. Financial Responsibility
2. Student and Staff Success

**Objective**

To provide the Board of Trustees with an annual accounting of Developer Fees for the Fiscal Year Ending June 30, 2023, and Five-Year Report for the Fiscal Year Ending June 30, 2023.

**Background**

Government Code Section 66006(b) requires local agencies, including school districts that collect developer fees, to make an annual accounting of those fees available to the public within 180 days of the close of each fiscal year. This annual accounting must then be reviewed by the governing board at its next regularly scheduled meeting, at least 15 days after the accounting was made public.

Each accounting must include:

1. The amount of the fee;
2. The beginning and ending balances of the account;
3. The amount of the fees collected and the interest earned during the fiscal year;
4. An identification of each public improvement on which fees were expended and the amount, and an identification of the percentage of the cost of the improvement that is being funded with the fees;
5. An identification of an approximate date of completion for any improvements that are funded, but have not been completed;
6. A description of each inter-fund transfer or loan made from the account, including the public improvement on which the transferred or loaned fees will be expended;
7. The amount of refunds made pursuant to subdivision (e) of Section 66001.

During the 2022-2023 fiscal year, the Novato Unified School District levied developer fees at the following rates:

- Residential Developer Fees in the amount of \$4.08 per square foot of assessable space of residential construction.



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- Commercial and Industrial Developer Fees in the amount of \$.66 per square foot of covered and enclosed space of commercial/industrial construction.
- Mini Storage in the amount of \$.03 per square foot

A total of \$240,221 in revenues was received in the Capital Facilities Fund and a total of \$61,159 was expended out of the Capital Facilities Fund.

There were no Interfund transfers into or out of the fund during 2022-2023 nor were there any developer fee refunds pursuant to subdivision (e) of Section 66001.

The table below provides a detailed accounting of the revenue sources received and projects/expenses that were paid for out of the Capital Facilities Fund during 2022-2023.

**2022-2023 Capital Facility Fund (Developer Fee Fund) Annual Report**

	<b>Percentage Funded by Developer Fees</b>	<b>Date of Completion</b>	<b>Amount</b>
<b>Beginning Balance, July 1, 2022</b>			<b>\$1,550,771</b>
Developer Fee Revenue			\$219,839
Interest			<u>\$20,382</u>
<b>Total Revenues</b>			<b>\$240,221</b>
Portable Rentals	100%		\$54,324
Legal & Financial	100%		\$240
Indirect Costs	100%		<u>\$6,595</u>
<b>Total Expenditures</b>			<b>\$61,159</b>
<b><u>Ending Balance, June 30, 2023</u></b>			<b><u>\$1,729,832</u></b>



**FIVE-YEAR REPORT**

In accordance with Government Code Section 66001, the District provides the following information as of June 30, 2023:

For the fifth fiscal year following the first deposit into the Fund, and every five years thereafter, the District is required to make all of the following findings with respect to that portion of the Fund remaining unexpended, whether committed or uncommitted. At the close of the fiscal year 2022-2023, there was a balance of \$1,729,832 remaining in the Developer Fee Fund (Government Code Section 66001(d))

**A. Identification of All Projects for Which the Reportable Fees Will be Expended in the Future:**

The purpose of the Reportable Fees imposed and collected on Development within the District is to fund additional School Facilities required to serve the students of the District generated by Development within the District. Specifically, the Reportable Fees will be used for the construction and/or acquisition of additional School Facilities, remodeling existing School Facilities to accommodate new growth from new development including, but not limited to, adding additional classrooms, technology and acquiring and installing additional portable classrooms. (Government Code Section 66001(d)(1)(A)).

Further information regarding such Project(s) is set linked Facility Master Plan at <https://nUSD.org/bond-information/facility-master-plan/> and also includes:

<u>Project Name</u>	<u>Source of Funds</u>	<u>Amount of Funding From Each Source</u>	<u>Project Total</u>
Ongoing annual portable rental payments	Developer Fees	\$55,000	\$55,000
Staff Housing Initiatives (5-year plan)	Developer Fees	\$1,000,000	\$1,000,000

**B. Demonstration of a Reasonable Relationship Between the Reportable Fees and the Purposes for Which They are Charged:**

There is a reasonable relationship between the new development upon which the Reportable Fees are charged and the need for additional School Facilities by reason of the fact that additional students will be generated by additional Development within the District, and the District does not have student capacity in its existing School Facilities to accommodate these new students. Staff Housing addresses the need to hire and retain



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qualified staff as enrollment increases during a time of staff shortages. Furthermore, the Reportable Fees charged on Development will be used to fund School Facilities which will be used to serve the students generated from Development. The Reportable Fees do not exceed the costs of providing such School Facilities for new students. (Government Code Section 66001(d)(1)(B)) as set forth in the report "Developer Fee Study" prepared by King Consulting dated November 3, 2020.

**C. Identification of All Sources and Amounts of Funding Anticipated to Complete Projects/Costs Identified by the District in Paragraph A Above and Approximate Date Funding Is Expected to Be Deposited. (Government Code Section 66001(d)(1)(C) and (D)):**

Source of Funding	Estimated Funding	Estimated Date for the Receipt of Funding
Estimated Developer Fee Funding	\$1,000,000	Ongoing
Estimated Project Costs for FY 2022-23 & 2023-2024	\$2,000,000	Portable Rentals, Classroom Renovation for Transitional Kindergarten
Balance	(\$1,000,000)	From Fund Balance

**Funding Source/Cost**

Capital Facilities Fund is Fund 25. This report has no cost associated with it.

**Recommendation**

Superintendent and staff recommend approval of the 2022-2023 Annual Developer Fee Report and Five-Year Report.