



NOVATO UNIFIED SCHOOL DISTRICT

Business & Operations

TO: Board of Trustees

FROM: Joshua Braff, Chief Financial Officer

DATE: December 3, 2024

RE: Consent: Annual Accounting of Developer Fees for the Fiscal Year Ending June 30, 2024, and Five-Year Report for the Fiscal Year Ending June 30, 2024

Board Priority/Goals

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, 2024, and Five-Year Report for the Fiscal Year Ending June 30, 2024.

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 2023-2024 fiscal year, the Novato Unified School District levied developer fees at the following rates:



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- Residential Developer Fees in the amount of \$4.08 per square foot of assessable space of residential construction.
- Commercial and Industrial Developer Fees in the amount of \$0.66 per square foot of covered and enclosed space of commercial/industrial construction.
- Mini Storage in the amount of \$0.03 per square foot

A total of \$198,515 in revenues was received in the Capital Facilities Fund and a total of \$446,369 was expended out of the Capital Facilities Fund.

There were no Interfund transfers into or out of the fund during 2023-2024. There was one refund in the amount of \$2,056.32 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 2023-2024.

2023-2024 Capital Facility Fund (Developer Fee Fund) Annual Report

	<u>Percentage Funded by Developer Fees</u>	<u>Date of Completion</u>	<u>Amount</u>
Beginning Balance, July 1, 2023			\$1,729,832
Developer Fee Revenue			\$128,200
Interest			\$70,315
Total Revenues			\$198,515
Staff Housing Project	100%	Ongoing	\$348,558
Bike Racks (district-wide)	100%	03/2024	\$8,199
Legal Fees/Compliance	100%	N/A	\$9,206
Expansion of TK Classrooms	100%	Ongoing	\$55,531
District Office Addition	100%	06/2024	\$21,030
Indirect Costs	100%	N/A	\$3,846
Total Expenditures			\$446,370
Ending Balance, June 30, 2024			\$1,481,977



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FIVE-YEAR REPORT

In accordance with Government Code Section 66001, the District provides the following information as of June 30, 2024:

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 2023-2024, there was a balance of \$1,481,977 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>
TK Classroom Expansions	Developer Fees	\$100,000	\$100,000
Staff Housing Initiatives (5-year plan FY24-FY28)	Developer Fees	\$1,000,000	\$1,000,000
San Marin Parking Lot	Developer Fees (DF)	(DF) \$1,000,000	\$2,500,000
	Bond Funds (BF)	(BF) \$1,500,000	



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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 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. Parking and traffic safety are a significant impact that is being mitigated by the new San Marin parking lot, caused by an increase in the student population. (Government Code Section 66001(d)(1)(B)) as set forth in the report "Developer Fee Study" prepared by King Consulting dated May 21, 2024.

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)):

<u>Source of Funding</u>	<u>Estimated Funding</u>	<u>Estimated Date for Receipt of Funding</u>
Developer Fees	\$250,000	June 30, 2025
Interest	\$60,000	June 30, 2025
Bond Funds	\$1,500,000	Already Received

Funding Source/Cost

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

Recommendation

The Superintendent and staff recommend approval of the 2023-2024 Annual Developer Fee Report and Five-Year Report.