



PIONEER UNION SCHOOL DISTRICT

ANNUAL AND FIVE YEAR DEVELOPER FEE REPORTS

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BACKGROUND

On January 1, 1987, school districts were authorized to levy statutory developer fees on new residential and commercial/industrial developments. Originally set forth in Government Code Sections 53080 and 65995, Assembly Bill 2926, known as the 1986 School Facilities Legislation granted school districts the right to levy fees.

In 1987, statutory school fees were authorized to be levied in the amount of \$1.50 per square foot of assessable space of new residential space and \$0.25 per square foot of covered or enclosed space in any commercial or industrial development. Since 1987, these amounts have increased to \$4.08 and \$.66, respectively and are currently found in Education Code Section 17620 and Government Code Section 65995.

In 1998, Proposition 1A was passed by the voters in California and Senate Bill 50 (SB50) which constituted significant school facility finance and developer fee reform legislation. SB50 created the authority for school districts to levy Alternative School Fees, which created what are commonly referred to as Level 2 and Level 3 School Fees. With the enactment of SB50 and the creation of Alternative School Fees, the original statutory school fees are now referred to as Level 1 Fees.

HISTORY

- In January 2006 the State Allocation Board (SAB) increased Level I fees to \$2.63 per square foot for residential construction and \$0.42 per square foot for commercial/industrial construction.
- In January 2008 the SAB increased Level 1 fees to \$2.97 per square foot for residential and \$0.47 per square foot for commercial/industrial construction.
- In January 2010 the SAB voted to continue the 2008 assessment rates.
- In January 2012 the SAB increased Level I fees to \$3.20 per square foot for residential and \$0.51 per square foot for commercial/industrial construction.
- In January 2014 the SAB increased Level I fees to \$3.36 per square foot for residential and \$0.54 per square foot for commercial/industrial construction.
- In January 2016 the SAB increased Level I fees to \$3.39 per square foot for residential and \$0.55 per square foot for commercial/industrial construction.
- In January 2018 the SAB increased Level I fees to \$3.79 per square foot for residential and \$0.61 per square foot for commercial/industrial construction.

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- In January 2020 the SAB increased Level I fees to \$4.08 per square foot for residential and \$0.66 for commercial/industrial construction.
- In January 2022 the SAB increased Level I fees to \$4.79 per square foot for residential and \$0.78 for commercial/industrial construction.
- In January 2024 the SAB increased Level I fees to \$5.17 per square foot for residential and \$0.84 for commercial/industrial construction.
- The next SAB meeting with possible revision will be January 2026.

In March 2002 a Justification Report was completed by Williams and Associates, LLC. stating the district was no longer justified in the collection of developer fees. Therefore, in May 2002 the Board passed Resolution 338 stating the district shall no longer collect developer fees until such time the district is able to justify the collection of such fees.

In March 2006, at the Boards direction, another Justification Study was completed by Jack Schreder and Associates. This study concluded the district was once again justified in the collection of developer fees. As a result of this study the board passed Resolution 411, at a noticed public meeting, reinstating the collection of developer fees as of June 20, 2006.

In April 2013, at the Boards direction, another Justification Study was once again completed by Jack Schreder and Associates. The purpose of this study was to demonstrate the relationship between residential, commercial and industrial growth and the need for the modernization of school facilities in the Pioneer Union School District. This study concluded the district is again justified in the collection of developer fees.

In November 2023, a Justification Study was completed by Schoolworks, Inc., stating the district was justified in increasing the collection of Level I fees to the 2022 rates. The purpose of this study was to demonstrate the relationship between available student housing and the need for modernization and reconstruction of school facilities.

The rate structure for the Pioneer Union School District is collected at the 2022 assessment rate levels.

ACCOUNTING FOR DEVELOPER FEES COLLECTED IN PRIOR YEARS

Pursuant to Government Code §66006 all fees and charges, along with any interest income earned thereon, are deposited in a separate Capital Facilities Fund in a manner to avoid any commingling of the fees and charges with other revenues and funds of the District. Every year the District must account for the fees. Pursuant to Government Code §66001 every five years the District must make

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certain findings regarding the funds as described below. The expenditure of the fees is described in the “*Annual and Five Year Developer Fee Reports*.”

Any interest income earned by the money in the capital facilities account or fund was also deposited into that account or fund and expended only for the purpose for which the fee was originally collected.

Pursuant to Government Code §66006, the District shall, within 180 days after the last day of each fiscal year, make available to the public an accounting for the fees in the capital facilities account or fund.

Not less than 15 days after it is made available to the public, the District shall review the accounting at the next regularly scheduled public meeting.

The District shall provide notice of the time and place of the meeting, including the address where this information may be reviewed, and the notice shall be mailed at least 15 days prior to the meeting to any interested party who files a written request with the District for mailed notice of the meeting.

During the previous five years, the District collected Level I fees; 2019-20 through 2023-24. The District has prepared an accounting for developer fees collected in fiscal year 2023-24 as well as the previous four years.

Under Government Code §66006 the annual accounting must contain the following information:

- a. **A brief description of the type of fee in the account.**
In this District all of the fees in the account are Level I fees collected from developers under Government Code §65995 and Education Code §17620.
- b. **The amount of the fee.**
Today the maximum amount of the fees is \$4.79 per square foot for residential development, and \$0.78 per square foot of commercial/industrial development. The Pioneer Union School District is currently receiving \$2.92 per square foot for residential and \$0.48 per square foot for commercial/industrial development.
- c. **The beginning and ending balance of the account.**
The beginning balance of the account as of July 1, 2023 was \$265,780. The ending balance as of June 30, 2024 was \$313,802.
- d. **The amount of the fees collected and the interest earned.**
The amount of fees collected from July 1, 2023 through June 30, 2024 was \$43,891. The interest earned on the entire fund was \$9,065. There were no refunds issued during this time period.

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- e. **An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.**

1) Mountain Creek Water Tank Replacement – Total Cost: \$463,000

*Black Water Consulting Engineers - \$169,250
Construction Contractor - \$250,000
Contingency - \$43,750*

The Mountain Creek Water Tank Replacement project is funded through a 100% principal forgiveness loan from the State Water Resources Control Board. The project was completed in September 2019.

Due to the fact this project is funded through a 100% principal forgiveness loan from the State Water Resources Control Board, the Special Reserve for Capital Outlay Projects Fund reimbursed the Capital Facilities Fund the reported 2017/18 expenditures of \$1,726 in the 2018/19 fiscal year.

2) 2023 Developer Fee Justification Study – Total Cost \$3,617

*Schoolworks, Inc - \$3,500
Public Announcement - \$117*

Capital Facilities Fund – 100%

- f. **An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in the facility plan of the District, and that the public improvement remains incomplete.**

There are no current incomplete public improvements.

- g. **A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.**

*2023-24 – No interfund transfers
2022-23 – No interfund transfers
2021-22 – No interfund transfers*

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2020-21 – No interfund transfers

2019-20 – No interfund transfers

h. The amount of any developer fee refunds.

2023-24 – No refunds

2022-23 – No refunds

2021-22 – No refunds

2020-21 – No refunds

2019-20 – No refunds

Under Government Code §66001, the Board must make the following findings for the five-year accounting with respect to the portion of the account or fund remaining unexpended, whether committed or uncommitted:

a. Identify the purpose to which the fee is to be put.

As funds become available they will be used for:

- *Additional developer fee studies.*
- *Future Facilities Master Plans.*
- *Reconstruction of Walt Tyler Elementary School.*
- *Future construction/reconstruction of campus facilities.*

b. Demonstrate a reasonable relationship between the fee and the purpose for which it is charged.

The fees were charged for the purpose of constructing/reconstructing the identified school facilities and improvements, which are necessary to adequately serve the students generated by development.

c. Identify all sources and amounts of funding anticipated to complete the financing of incomplete improvements.

There are no current incomplete public improvements.

d. Designate the approximate dates on which the funding anticipated to complete financing of the incomplete improvements is expected to be deposited into the appropriate account or fund.

There are no current incomplete public improvements.

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When sufficient funds have been collected to complete financing on incomplete public improvements identified in the District's facilities plan, and the improvements remain incomplete, the District shall identify, within 180 days of the determination that sufficient funds have been collected, an approximate date by which the construction of the public improvement will be commenced, or shall refund to the then current record owner or owners of the lots or units, as identified on the last equalized assessment roll, of the development project or projects on a prorated basis, the unexpended portion of the fee, and any interest accrued thereon.

If the administrative costs of refunding unexpended revenues exceed the amount to be refunded, the District, after a public hearing notice of which has been published once in a newspaper of general circulation, and posted in three prominent places within the area of the development project, may determine that the revenues shall be allocated for some other purpose for which development fees are collected pursuant to Government Code §66000 et seq., and which serves the project on which the fee was originally imposed.

Based on the review of income and expenditures (2019-20 through 2023-24), the District has spent or encumbered by the close of 2023-24, 28% of the funds collected from 2019-20. Remaining funds in the amount of \$19,661 will be used for modernization/reconstruction of school facilities, a developer fee justification study, and a facilities master plan for the Pioneer Union School District.