

## **Developer Fee Summary**

Education Code Section 17620 authorizes school districts to levy a fee, charge, dedication, or other form of requirement against any development project for the construction or modernization of school facilities, provided the District can show justification for levying fees.

In January 2024, the State Allocation Board's biennial inflation adjustment changed the fee to \$5.17 per square foot for residential construction and \$0.84 per square foot for commercial/industrial construction.

Mountain View Whisman School District shares developer fees with Mountain View Los Altos High School District. The High School District collects 33.33 percent of the Level 1 Fee, and Mountain View Whisman School District collects 66.67 percent of the Level 1 Fee.

The residential justification is based on the Mountain View Whisman School District's projected modernization need of \$245,907,996 for students generated from residential development over the next 25 years and the projected residential square footage of 24,376,000.

Therefore, Mountain View Whisman School District is justified in collecting \$3.45 (66.67 percent of \$5.17) per square foot for residential construction and \$0.56 (66.67 percent of \$0.84) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category of construction should be collected at a rate of \$0.09 per square foot.

In general, 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 41.1 percent of the cost to construct new facilities. Based on the modernization need for students generated from projected residential development and the projected residential square footage, each square foot of residential construction will create a school facilities cost of \$10.09 ( $\$245,907,996/24,376,000$ ). The State Allocation Board's approved fees do not cover the total cost of housing new students. A notice of a public hearing to amend developer fees was published in the Daily Post on April 22, 2024, and April 29, 2024.

It is recommended that the Board of Trustees approve and adopt Resolution 02-050224, authorizing the increase in developer fees rate as presented in the Developer Fee Study.