



ANNUAL & FIVE-YEAR DEVELOPER FEE REPORT FY 2022/2023

WASHINGTON UNIFIED SCHOOL DISTRICT

November 22, 2023



Annual and Five Year Developer Fee Report

Background:

SB 50 was passed in 1998 which allowed school districts to collect developer fees levied on new housing and commercial/industrial construction. SB 50 also created a multi-level fee structure to allow fast growing school districts to charge higher levels of fees if the districts could show a nexus between the growth, the eligibility for state funding and the need for additional student housing. These higher levels of fees are often referred to as Level II and Level III fees. Washington Unified School District only collects Level I Fees, which are fees levied on housing construction and remodels.

Government Code 66006 requires that an annual report of income and expenditures from developer fees and the beginning and ending fund balances in the Capital Facilities Fund be made available to the public within 180 days, after the end of each fiscal year.

Government Code 66001 requires a five-year report if there are any funds remaining in the Fund at the end of the prior fiscal year. The five-year report identifies the project to which the fee is to be applied and identifies all sources and amounts of funding anticipated to complete financing on incomplete improvements.

Washington Unified School District has combined both reports and has completed them annually. The following report is provided to answer specific questions required by the statute.

Developer Fee Financial Report Fiscal Year

Government Codes 66001 and 66006 require the annual accounting to contain the following information:

- a) **A brief description of the type of fee in the account of fund and the purpose to which the fee is to be put.**
 - a. In Washington Unified School District, all the fees collected have been Level I fees. These fees have been and will be used to construct and modernize school district facilities to ensure safe & educationally effective schools as allowed by the Developer Fee Justification Study report dated April 2022.
- b) **The amount of the fee and a demonstration of a reasonable relationship between the fee and the purpose for which it is charged.**
 - a. The amount of the fee is included in this report. The fees are charged for the purpose of constructing and reconstructing identified school facilities, which were necessary to adequately serve the students.
- c) **The beginning and ending balance of the fund.**
 - a. These balances, including the unaudited ending balance, are reflected in the following report. As seen in the table at the end of this report, the district's expenditures do not deplete the beginning cash balance. The district will deplete all prior year collections, therefore, there is no requirement to refund any of previously collected fees.
- d) **The amount of the fees collected and the interest earned**
 - a. The following report reflects the types of fees collected and the interest earned reflected on the accompany appendix A by the District for the fund. The charge for Level I Developer Fees was residential \$4.79 per SF and Commercial and Industrial Construction \$0.78 per SF. A portion amount of the fees collected are pass-through elementary school districts.
- 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 improvement that was funded with fees.**
 - a. The following report reflects the actual expenditures for the fund.

- 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 remain incomplete.
 - a. N/A
- 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.
 - a. None

Five Year Report

The following report is a five-year developer fee report for the Washington Unified School District (District). This informational report is required by Government Code Section 66001(d). The Code Section requires the District to develop a report every five years disclosing how much has been collected in developer fees and how these fees were spent. This report covers the fiscal years 2018-19 through 2022-23.

Findings:

The following four findings are those required by Government Code Section 66001(d) and the District's comments for each of the findings:

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

- a. The remaining balance in the account will be used to complete new construction projects that are a direct result of an increase in student population at all of the District sites. The District's master plan contains a list of additional projects that may be completed should sufficient funding be available.

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

- a. The fees were charged for the purpose of constructing and reconstructing the identified school facilities, which were necessary to adequately serve the students. As noted in item A above, the District has sufficient projects that need funding to fully utilize the ending fund balance. It will also be critical that a sufficient balance be maintained in the Fund for the potential improvements to the schools that have been modernized. It is quite common that once a school is modernized and students occupy the campus, additional improvements may be needed. The resources in the Fund will need to be held to cover these potential costs

c) Identify all sources and amounts of funding anticipated to complete financing incomplete improvements identified in paragraph (2) of subdivision (a).

- a. The District does not have any incomplete projects at this time.

d) Designate the approximate dates on which the funding referred to in subparagraph (C) is expected to be deposited into the appropriate account or fund.

- a. N/A

Conclusions:

The District has met all of the findings. Based on the information contained in this report, the District has met the requirements of the four findings of Government Code Section 66001(d).

No refund of fees necessary. Since the District has spent all funds that were collected prior to June 30, 2018 on district reconstruction and modernization, there is no need to refund any developer fees to the current residents. It is highly unlikely with the long list of projects that the District will be completing in the future that a refund of fees will be needed.

APPENDIX A
WASHINGTON UNIFIED SCHOOL DISTRICT
FIVE YEAR DEVELOPER FEE FUND

Fiscal Year		2018-19	2019-20	2020-21	2021-22	2022-23	Five Year Totals
BEGINNING CASH BALANCES		\$385,281	\$373,640	\$273,265	\$407,666	\$387,771	
Audit Adjustments							
Fair Value Of Investments						\$(16,465)	\$(16,465)
						\$(7,826)	(\$7,826.00)
REVENUES							
Developer Fees	8681	\$72,594	\$268,999	\$420,130	\$112,893	\$455,240	\$1,329,856
Payment to Elementary Districts		\$ (200,275)	\$ (190,017)	\$ (249,170)	\$ (57,570)	\$ (282,387)	\$ (979,419)
Interest	8660	\$8,802	\$8,698	\$7,989	\$5,408	\$10,751	\$ 41,648
TOTAL REVENUES		\$266,403	\$461,321	\$452,214	\$468,396	\$547,085	\$2,195,418
EXPENDITURES							
Rentals & Leases	5600	\$93,038	\$88,386	\$44,548	\$ 44,897	\$44,831	\$315,699
Professional Services	5800		\$99,670		\$ 35,728	\$17,245	\$152,642
TOTAL EXPENDITURES		\$93,038	\$188,056	\$44,548	\$ 80,625	\$62,076	\$468,341
ENDING CASH BALANCES		\$173,365	\$273,265	\$407,666	\$387,771	\$485,009	