

# Saddleback Valley

Unified School District



## **ANNUAL AND FIVE-YEAR REPORTABLE FEES REPORT**

**Fiscal Year 2020-21**

25631 Peter A. Hartman Way, Mission Viejo, CA 92691

## I. INTRODUCTION

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Sections 66001 and 66006 of the Government Code require that Saddleback Valley Unified School District ("District") provide to the public information on impact fees received from new residential and commercial/industrial development to mitigate the impact of that new development on the school facilities of the District ("Reportable Fees"). The District currently collects statutory school fees ("Statutory School Fees") pursuant to Sections 17620 *et seq.* of the Education Code and Sections 65995 *et seq.* of the Government Code.

The District is required to provide under the Government Code the following information on Reportable Fees for the prior fiscal year:

1. Amounts collected
2. Amount of interest earned
3. Amounts spent on projects to accommodate additional enrollment from new residential and commercial/industrial development

The Reportable Fees do not include special tax proceeds, proceeds of bonds, or letters of credit to secure payment of Reportable Fees at a future date. Further, the District is required to confirm that Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

Additionally, the District is required to identify the following:

1. The proposed purposes to which Reportable Fees may be spent
2. The Reasonable Relationship between the Reportable Fees and the purpose to which they are to be spent
3. The funding sources and expected funding availability date for school facilities projects for which Reportable Fees are required

The following Annual and Five-Year Reports ("Reports") for the fiscal year ending June 30, 2021, include the information and proposed findings the District intends to review and adopt in accordance with Sections 66001 and 66006 of the Government Code.

## II. ANNUAL REPORT

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In accordance with Government Code Section 66006, the District hereby presents the following information for fiscal year 2020-21:

**A. Description of the Type of Reportable Fees in the Account or Sub-Account(s) of the District:**

The Reportable Fees consist of Statutory School Fees deposited in Fund 25 (“Fund”), a separate capital facilities account or fund in a manner to avoid any commingling of the Reportable Fees with other revenues and funds of the District, except for temporary investments. As this Report provides, the Reportable Fees and any interest income earned by moneys in the Fund have been expended as set forth herein solely for the purpose for which the Reportable Fees were originally collected. Government Code Section 66006(a).

**B. Reportable Fees Information for the Fund:**

1. Within 180 days after the last day of each fiscal year, the District is required to make available to the public certain information. As set forth below, the District provides the following information for the Fund for the fiscal year 2020-21. Government Code Section 66006(b)(1)

**a. Amount of Reportable Fees:**

The Reportable Fees were authorized to be levied on Development by the Board of Education (“Board”) of the District at the time the Reportable Fees were adopted. As shown in the District’s Fee Justification Study (“FJS”), the Reportable Fees only partially mitigate the impacts to the District caused by Development because the Reportable Fee amounts do not adequately fund the District’s School Facilities needs resulting from additional Development within the District. (Government Code Section 66006(b)(1)(A)).

**Statutory School Fees (Government Code Section 66006(b)(1)(B))**

From July 1, 2020 to June 30, 2021

Level 1 Residential	\$4.08 per square foot
Level 1 Commercial/Industrial	\$0.66 per square foot
Level 1 Storage Commercial/Industrial	\$0.051 per square foot

**b. Beginning and Ending Balance, Reportable Fees Collected, Interest Earned and Expenditures of the Fund (Government Code Section 66006(b)(1)(C) and (D)):**

	<b>Reportable Fees</b>
Beginning Balance (07/01/20)	<b>\$12,338,780.27</b>
Amount of Reportable Fees Collected	\$4,257,756.64
Interest Earned	\$107,060.73
Expenditures	\$504,455.95
Ending Balance (06/30/21):	\$16,199,141.69

**c. Identification of Each District Project on Which Reportable Fees Were Expended Including the School Facilities Project ("Project") Total and Percentage of the Project Cost that was Funded with Reportable Fees (Government Code Section 66006(b)(1)(E)):**

The foregoing information<sup>1</sup> is set forth below.

<b>Project Description</b>	<b>Project Total</b>	<b>2020-21 Funded w/ Reportable Fees</b>	<b>Percentage of Project Total Funded w/ Reportable Fees</b>
Cost to Collect Reportable Fees (3%)	\$127,732.70	\$127,732.70	100%
El Toro High School Renovation and New Construction	\$9,275,176.99	\$34,347.48	0.37%
Los Alisos Intermediate Classroom	\$3,200.00	\$3,200.00	100%
Rancho Santa Margarita Intermediate Renovation	\$6,000,000.00	\$3,780.00	0.06%
Serrano Intermediate Renovation/ Growth Phase 1	\$3,000,000	\$8,400.00	0.28%
Foothill Ranch Elementary School Renovation/Growth	\$7,500,000	\$43,000.00	0.57%
Gates Elementary School Renovation /Growth Phase 1	\$2,500,000	\$7,500.00	0.30%
Portola Hills Elementary School Renovation, Building Replacement and Site Growth	\$14,537,931.94	\$84,885.10	0.58%
Rancho Canada Elementary School Renovation/Growth	\$3,000,000.00	\$18,900.00	0.63%
Project Management, Consultants and Legal Fees	\$172,710.67	\$172,710.67	100%
<b>2020-21 TOTAL EXPENDITURE</b>		<b>\$504,455.95</b>	

<sup>1</sup> Pursuant to Education Code 17620(a) (5), Level 1 Fees collected may also be spent on the following non-facility costs: the costs of conducting a School Facilities Needs Analysis and/or Fee Justification Study; and preparing the Annual and Five-Year Report. In addition, a district may also retain "an amount not to exceed, in any fiscal year, three percent of the fees collected in that fiscal year. . . ." The three percent amount is for the reimbursement of administrative costs incurred in collecting the fee. For districts that levy a Level 2 Fee, the three percent amount is calculated only on the amount of the Level 1 Fees that are collected.

- d. **When the District Accumulates Sufficient Funds to Complete Project(s) for Which It Previously Identified as Intending to Spend Reportable Fees,<sup>2</sup> the District Needs to Identify the Approximate Date It Will Commence Construction on Such Project(s) (Government Code 66006(b)(1)(F)):**

The District has determined for the fiscal year 2020-2021 that sufficient funds have been collected to complete financing on the Project(s) listed below. The chart below identifies the estimated date that construction is anticipated to commence on each Project:

<b>Project</b>	<b>Construction Commencement</b>
Foothill Ranch Elementary Renovation/ Growth	2022
Gates Elementary Renovation/Growth Phase 1	2024
Rancho Canada Elementary Renovation/Growth	2022
Serrano Intermediate Renovation/Growth Phase 1	2022

- e. **Description of Each Interfund Transfer or Loan Made from the Fund (Government Code Section 66006(b)(1)(G)):**

**Interfund Transfers:**

<b>Description of Project for Which Interfund Transfer was Used</b>	<b>Fund(s) to Which Reportable Fees Were Transferred</b>	<b>Amount Transferred</b>
None		

**Interfund Loans:**

<b>Description of Project for Which Interfund Loan was Used</b>	<b>Fund(s) to Which Reportable Fees Were Loaned</b>	<b>Amount Loaned</b>	<b>Date Loan Repaid</b>	<b>Rate of Interest</b>
None				

<sup>2</sup> The District is required to make such identification pursuant to Government Code Section 66001(a)(2). The identification may have been done by reference to a capital improvement plan or general plan or may be made in other public documents that identify the public facilities for which the fee is charged.

**f. Refunds and Allocations (Government Code Section 66006(b)(1)(H), 66001(e),(f):**

When the District has determined that sufficient funds have been collected to complete financing on incomplete Project(s) and the Project remains incomplete, the District is required to identify the approximate date by which the construction of the Project(s) will commence. If the District fails to timely identify the approximate date by which the construction of the Project(s) will commence, then the District must refund the unexpended portion of the Reportable Fees and any interest accrued thereon to the then current record owner(s).

Refund	\$0
Less Admin. Costs of Refunding	\$0
Net Refund	\$0

2. The District will review the Report at the next regularly scheduled public meeting (“Meeting”) not less than 15 days after the Report is made available to the public. Notice of the time and place of the Meeting, including the address where the Report may be reviewed, will be mailed at least 15 days prior to the Meeting, to any interested party who filed a written request with the District for mailed notice of the Meeting.<sup>3</sup>

<sup>3</sup>Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service.

### III. FIVE YEAR REPORT

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In accordance with Government Code Section 66001, the District provides the following information for fiscal year 2020-21:

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 2020-2021, there remained \$16,199,141.69 in the Fund (Government Code Section 66001(d):

**A. Identification of the Purpose 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, renovating 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)).

The following proposed projects are contingent on various factors including the construction of planned development areas. These projected projects are subject to change.

PROJECT	SOURCE OF FUNDS	AMOUNT OF ANTICIPATED FUNDING FROM EACH SOURCE	PROJECT TOTAL
Foothill Ranch Elementary Renovation/Growth	Reportable Fees	\$7,500,000	\$7,500,000
Gates Elementary Renovation/Growth Phase 1	Reportable Fees Redevelopment Funds	\$1,500,000 \$1,000,000	\$2,500,000
Gates Elementary Renovation/Growth Phase 2	Reportable Fees	\$3,500,000	\$3,500,000
La Madera Elementary Renovation/Growth	Reportable Fees	\$2,500,000	\$2,500,000
Olivewood Elementary Renovation/Growth	Reportable Fees	\$2,500,000	\$2,500,000
Rancho Canada Elementary Renovation/Growth	Reportable Fees Redevelopment Funds State Funds	\$1,500,000 \$1,000,000 \$500,000	\$3,000,000

Robinson Elementary Renovation/Growth	Reportable Fees State Funds	\$500,000 \$4,000,000	\$4,500,000
Los Alisos Intermediate Renovation/Growth	Reportable Fees	\$1,000,000	\$1,000,000
La Paz Intermediate Renovation/Growth	Reportable Fees Redevelopment Funds	\$1,000,000 \$1,000,000	\$2,000,000
Rancho Santa Margarita Intermediate Renovation/Growth	Reportable Fees State Funds	\$1,500,000 \$4,500,000	\$6,000,000
Serrano Intermediate Renovation/Growth Phase 1	Reportable Fees Redevelopment Funds State Funds	\$1,000,000 \$1,000,000 \$1,000,000	\$3,000,000
Serrano Intermediate Renovation/Growth Phase 2	Reportable Fees Redevelopment Funds	\$2,500,000 \$1,000,000	\$3,500,000
El Toro High School Renovation/Growth	Reportable Fees Redevelopment Funds	\$3,000,000 \$1,000,000	\$4,000,000
Laguna Hills High Renovation/Growth	Reportable Fees	\$1,000,000	\$1,000,000
Mission Viejo High School Renovation/Growth	Reportable Fees Redevelopment Funds	\$1,000,000 \$1,000,000	\$2,000,000
<b>TOTAL</b>			<b>\$48,500,000</b>

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

As shown in the FJS, there is a roughly proportional, reasonable relationship between the 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. 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 (d)(1)(B)).



**C. Identification of All Sources and Amounts of Funding Anticipated to Complete Incomplete Projects 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	Amount of Funding Anticipated to Complete Incomplete Projects	Approximate Date Funding Expected to Be Deposited
1. State Funding Program Funds	\$10,500,000.00	2020-2023
2. State Hardship Funds	\$0.00	
3. Community Facilities Districts	\$0.00	
4. General Obligation Bond Proceeds (Not Authorized, Only Issued)	\$0.00	
5. Redevelopment Pass-Through Agreements	\$7,000,000.00	
6. Existing Reportable Fees	\$16,199,141.69	June 2021
7. Anticipated Reportable Fees	\$3,000,000.00	June 2022
8. Mitigation Payments	\$0.00	
9. Certificates of Participation	\$0.00	
10. SB-201 Fees (Government Code Section 65970, <i>et seq.</i> )	\$0.00	
11. Total Funding (Add Lines 1 – 10 above)	\$36,699,141.69	
12. Total Costs of All Incomplete Projects	\$48,500,000.00	
13. Minus Total of All Funding Sources (Enter from Line 11 above).	\$36,699,141.69	
14. Unfunded Balance (Line 12, minus Line 13)	\$11,800,858.31	