

Morgan Hill Unified School District Developer Fee Presentation

June 2022

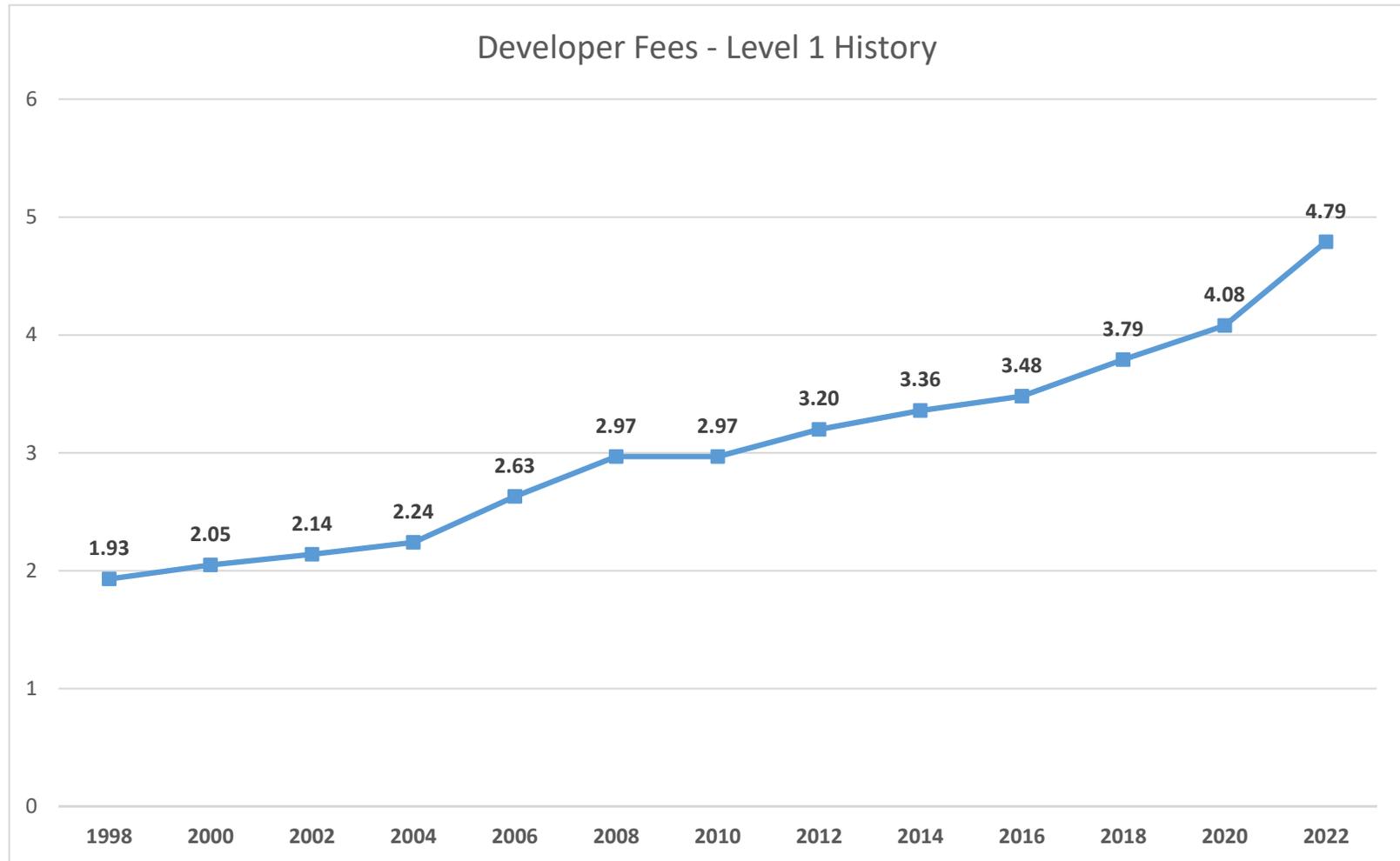


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Developer Fee Basics

- A common source of funding to pay for school facility needs.
- Most District's collect Level 1 developer fees.
- The current Level 1 developer fee maximum rate is \$4.79 for residential projects and \$0.78 for commercial/industrial projects.
- The rates increased in 2022 by 17.45% compared to the previous rates.

Historical perspective on residential fee rates



Reasons for Level 1 Study

- Standard to update every two to four years as inflation adjustments are approved by the State Allocation Board
- Uses local student yield rate to determine development impacts
- Monitor volume of proposed developments and average size of new housing units
- Update facility capacity and facility needs
- Describe types of facility projects to be completed
- List of Planned Facility Projects

Major Factors Impacting Level 1 Fee Amounts

- Average square footage of new homes in the School District (2,178)
- Local land costs
- Student yield rate from new housing units
0.4073 students/home
- Space available in existing schools
- Facility modernization needs
- The study determines the **maximum** Level 1 developer fee amount the District is allowed to collect.

Use of Level 1 Developer Fees

- New Schools
- Additions to Existing Schools
- Portable/Facility Replacement Projects
- Modernization/Upgrade of Existing Schools
- Land for new schools
- Land to expand existing schools

Level 1 Developer Fee Timeline

- After approval of Study and the increase in Level 1 fees, there is a 60 day period before the new rates go into effect.
- The study does not have an expiration date, but should be updated to account for the newest enrollment trends and facility needs when the rates are adjusted every two years.