

ONTARIO-MONTCLAIR SCHOOL DISTRICT

Ontario, California

December 14, 2023

TO: President and Board of Trustees

FROM: James Q. Hammond, Superintendent

SUBJECT: **2022-2023 Annual and Five-Year Reports of Developer Fee Receipts and Expenditures**

ACTION REQUESTED

Approve the 2022-2023 Annual and Five-Year Reports of Developer Fee Receipts and Expenditures.

BACKGROUND INFORMATION

Effective January 1, 1997, Senate Bill 1693 amended Government Code Sections 66001 and 66006 to impose more detailed reporting requirements for developer fees. The local agency must account for funds collected, whether committed or uncommitted, and are required to review this information at a regularly scheduled public meeting not less than 15 days after the information is made available for public review.

The attached report (Exhibit A) provides information on developer fees and interest income collected and expended during 2022-2023. Summarized information for fiscal years 2018-2019 through 2022-2023 is also included.

The fees have been justified and a reasonable relationship has been established between the fees and the purpose for which they are charged, which is included in the District's 2022 Developer Fee Study. Developer Fees, General Obligation Bond funds, Capital Outlay Reserve funds, and State School Construction Bond funds are the primary funding sources used to address various school facility needs of the District

Exhibit A constitutes the District's report of Developer Fees pursuant to Senate Bill 1693 and Government Code Sections 66001 and 66006.

Prepared by: Phil Hillman, Chief Business Official



FINANCIAL IMPLICATIONS

None.

Reviewed by: Phil Hillman, Chief Business Official



SUPERINTENDENT'S RECOMMENDATION

The Superintendent recommends the Board approve the 2022-2023 Annual and Five-Year Reports of Developer Fee Receipts and Expenditures.

Approved by: James Q. Hammond, Superintendent



Exhibit A

ONTARIO-MONTCLAIR SCHOOL DISTRICT

REPORT OF SCHOOL FACILITY FEES INCLUDING ALTERNATIVE SCHOOL FACILITY FEES ("REPORTABLE FEES") REPORT FOR FISCAL YEAR 2022-2023 IN COMPLIANCE WITH GOVERNMENT CODE SECTIONS 66001 AND 66006

Government Code Sections 66001 and 66006 provide that the District shall make available to the public certain information and adopt described findings relative to statutory school facility fees adopted pursuant to Education Code Section 17620 and Government Code Sections 65995, 65995.5, 65995.6, and 65995.7 ("Level 1 Fees", "Level 2 Fees", and "Level 3 Fees", collectively, "Statutory School Facility Fees" and as to Level 2 and Level 3 Fees, "Alternative School Facility Fees"). The foregoing for this purpose is also referred to as reportable fees ("Reportable Fees"). The described information and findings relate to Reportable Fees received, expended or to be expended in connection with School Facilities ("School Facilities") for the District to accommodate additional students from new development if funded or partially funded with Reportable Fees. The Reportable Fees do not include letters of credit, bonds, or other instruments to secure payment of Reportable Fees at a future date. The Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

The following is the information and proposed findings the District proposes to review and adopt in accordance with Government Code Sections 66001 and 66006.

I. INFORMATION MADE AVAILABLE PURSUANT TO GOVERNMENT CODE SECTION 66006 FOR FISCAL YEAR 2022-23:

In accordance with Government Code Section 66006(b)(1) and (2), the District provides the following information for fiscal year 2022-23:

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 Facility Fees including Alternative School Facility Fees.

B. AMOUNT OF THE REPORTABLE FEES:

The Reportable Fee amounts for fiscal year 2022-23 are set forth in the Schedule "A". These fee amounts were approved by the Board of Education on December 15, 2022. Developer Fee amounts only partially mitigate the impact to the District caused by residential development.

C. BEGINNING AND ENDING BALANCE OF ACCOUNT AND SUB-ACCOUNT(S):

	Reportable Fees
Beginning Balance (7/1/2022)	\$ 3,012,148
Ending Balance (6/30/2023)	\$ 3,964,399

D. AMOUNT OF THE REPORTABLE FEES COLLECTED AND INTEREST EARNED:

	Amount of Reportable Fees Collected Per Account or Sub-Account(s) and Interest Earned
Residential	\$ 1,264,318.62
Commercial	\$ 722,803.38
Total Developer Fees	\$ 1,987,122.00
Interest Earned	\$ 65,370.17
Fair Value of Investments	\$ (37,349.32)
All Other Local Revenue	\$ 0
Total Collected	\$ 2,015,142.85

E. IDENTIFICATION OF EACH PROJECT DURING 2022-23 ON WHICH DEVELOPER FEES WERE EXPENDED

This information is provided in Schedule "B".

F. IDENTIFICATION OF AN APPROXIMATE DATE BY WHICH VARIOUS CONSTRUCTION PROJECTS OF THE DISTRICT WILL COMMENCE

The District has determined that for fiscal year 2022-23, Reportable Fees and other sources of funding were not sufficient to complete the financing of all currently identified school facility (renovation, modernization and new construction) projects.

G. DESCRIPTION OF EACH INTERFUND TRANSFER OR LOAN MADE FROM THE ACCOUNT OR SUB-ACCOUNT(S), INCLUDING PROJECT(S) OF THE DISTRICT ON WHICH THE TRANSFERRED OR LOANED REPORTABLE 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 SUB-ACCOUNT(S) WILL RECEIVE ON THE LOAN:

Description of Interfund Transfer or Loan	Funds to Which Reportable Fees are Loaned	Amount	Date Loan Repaid	Rate of Interest
N/A	N/A	N/A	N/A	N/A

H. THE AMOUNT OF REFUNDS MADE OR REVENUES ALLOCATED FOR OTHER PURPOSES IF THE ADMINISTRATIVE COSTS OF REFUNDING UNEXPENDED REVENUES EXCEED THE AMOUNT TO BE REFUNDED:

\$ 0

II. PROPOSED FIVE (5) YEAR FINDINGS WITH RESPECT TO THAT PORTION OF THE ACCOUNT OR SUB-ACCOUNT(S) REMAINING UNEXPENDED, WHETHER COMMITTED OR UNCOMMITTED IN ACCORDANCE WITH GOVERNMENT CODE SECTION 66001:

A. IDENTIFICATION OF THE PURPOSE TO WHICH REPORTABLE FEES ARE TO EXPENDED:

The purpose of Developer Fees imposed and collected on new residential, commercial and industrial development within the District is to fund additional School Facilities required to serve the students of the District generated by its new development within the District. Specifically, the Reportable Fees will be used for the construction and/or acquisition of additional School Facilities, remodeling existing School Facilities to add additional classrooms, technology, playground, or restrooms, as well as acquiring and installing additional modular classrooms.

B. DEMONSTRATION OF A REASONABLE RELATIONSHIP BETWEEN THE REPORTABLE FEES AND THE PURPOSES FOR WHICH THEY ARE CHARGED:

There is a proportional/reasonable relationship between the new development upon which the Developer 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 the existing School Facilities to accommodate these new students.

The District's School Facilities Needs Analysis approved by the Board on December 15, 2022 established the purpose of the fees, the use to which the fees will be put, the relationships between the use of the fees, the District's needs to accommodate students from new development, and the type of residential projects. In doing so it fulfills the requirements imposed by state law on agencies that levy development fees.

C. DEVELOPER FEE COLLECTIONS AND EXPENDITURES FOR FISCAL YEARS

In accordance with Government Code Section 66006(b)(2), information, including the proposed five (5) year findings presented in Schedule C, were made available to the public at least fifteen (15) days prior to consideration of the Reportable Fees Report. The Board of Trustees is asked to formally consider (certify) such annual information and proposed five (5) year findings at its meeting on December 14, 2023.

D. IDENTIFICATION OF SOURCES AND AMOUNTS OF FUNDING SOURCES ANTICIPATED TO COMPLETE VARIOUS DISTRICT CAPITAL FACILITY PROJECTS

Sources	Amount of Funding Anticipated or Received to Complete Financing of School Facilities
State School Building Program	\$8,526,769*
Community Facilities Districts	N/A
General Obligation Bond Proceeds	\$28,682,075**
Redevelopment Pass-Through Agreements	\$8,027,527***
Statutory School Facility Fees (Developer Fees)	\$3,964,399****
Mitigation Payments	N/A
Certificates of Participation	N/A
S.B. No. 201 Fees (Government Code Section 65970 <i>et seq.</i>)	N/A

* Reserved for future school building modernization projects
Ending Balance as of 6/30/2023

- ** Reserved for General Obligation Bond 2016 Election authorized projects
Ending Balance as of 6/30/2023
- *** Reflects RDA funds balance reserve for Upland, Montclair, and Ontario
Ending Balance as of 6/30/2023
- **** Developer fee collections for facilities and facilities planning
Ending Balance as of 6/30/2023

E. DESIGNATION OF THE APPROXIMATE DATE ON WHICH THE FUNDING REFERRED TO IN SECTION D (ABOVE) IS EXPECTED TO BE DEPOSITED IN THE APPROPRIATE ACCOUNT OR SUB-ACCOUNT(S).

Sources	Approximate Date Expected to Be Deposited
State School Building Program	Currently on Deposit
Community Facilities Districts	N/A
General Obligation Bond Proceeds	Currently on Deposit
Redevelopment Pass-Through Agreements	Currently on Deposit
Statutory School Facility Fees (Developer Fees)	Currently on Deposit
Mitigation Payments	N/A
Certificates of Participation	N/A
S.B. No. 201 Fees (Government Code Section 65970 <i>et seq.</i>)	N/A

SCHEDULE A

ONTARIO-MONTCLAIR SCHOOL DISTRICT

STATUTORY SCHOOL FACILITY FEES INCLUDING ALTERNATIVE SCHOOL FACILITY FEE AMOUNTS 2022-2023

Residential

Level 1 - State Allocation Board Rate*	\$2.82
Level 1 - State Allocation Board Rate**	\$3.31
Level 2 - Not in effect	N/A
Level 3 - Not in Effect	N/A

Commercial/Industrial

Commercial/Industrial*	\$0.46
Commercial/Industrial**	\$0.54

<u>Business Categories for Parking Structures</u>	\$0.03
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<u>Self Storage Facilities</u>	\$0.08
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* Effective July 20, 2021 - February 15, 2023

** Effective February 16, 2023

SCHEDULE B

ONTARIO-MONTCLAIR SCHOOL DISTRICT

FUND 25 – INCOME AND EXPENDITURES AS OF JUNE 30, 2023

BEGINNING FUND BALANCE	\$ 3,012,148.31
INCOME	
DEVELOPER FEES COLLECTED	\$ 1,987,122.00
INTEREST	65,370.17
FAIR VALUE OF INVESTMENTS	(37,349.32)
ALL OTHER LOCAL REVENUE	-
TOTAL INCOME	2,015,142.85
EXPENDITURES	
FACILITIES PLANNING AND OTHER	\$ 51,573.57
EL CAMINO RELOCATABLE	397,226.28
ARROYO RELOCATABLE	228,380.36
VDANKS RELOCATABLES RELOCATION	72,025.00
HAYNES RELO RESTROOM ADD'T	9,390.00
MORENO RELOCATABLE	304,086.71
CENTRAL FIRE ALARM	210.00
TOTAL EXPENDITURES	1,062,891.92
NET CHANGE	<u>\$ 952,250.93</u>
ENDING FUND BALANCE	<u><u>\$ 3,964,399.24</u></u>
CASH IN THE COUNTY TREASURY	3,692,098.34
CASH IN TREASURY FMV	(76,085.00)
ACCOUNTS RECEIVABLE	726,165.10
TOTAL ASSETS	<u>\$ 4,342,178.44</u>
ACCOUNTS PAYABLE	372,603.34
DUE TO OTHER FUNDS	5,175.86
TOTAL LIABILITIES	<u>\$ 377,779.20</u>

SCHEDULE C

ONTARIO-MONTCLAIR SCHOOL DISTRICT

FUND 25 - DEVELOPER FEE COLLECTIONS AND EXPENDITURES FOR FISCAL YEARS 2018-19 TO 2022-23

5 Year Developer Revenue and Expenditure History

Year	Fees Collected/		Expenditures
	Interest/Other Income		
2018-19	\$ 1,444,268.84	\$	452,664.19
2019-20	\$ 1,130,881.36	\$	1,594,688.86
2020-21	\$ 966,687.27	\$	3,140,561.19
2021-22	\$ 1,289,463.77	\$	498,669.85
2022-23	\$ 2,015,142.85	\$	1,062,891.92

Note: The information in Schedule C above reflects only annual income and expenditures. The beginning or net ending balance of Fund 25 is not reflected.