

ALTERNATIVES TO DEVELOPER FEES:

- MELLO ROOS COMMUNITY FACILITIES DISTRICTS
- SCHOOL FACILITY IMPROVEMENT DISTRICTS

By: Addison Covert
Kronick, Moskovitz, Tiedemann & Girard
Attorneys at Law

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MELLO ROOS SPECIAL TAXES AND BONDS

- “An alternative for financing certain capital public facilities and services . . . especially in developing areas and areas undergoing rehabilitation.”

Government Code Section 53315.5.

- Method to establish additional taxes for projects and to repay bonds.
- Taxes collected may be spent:
 - on a “pay-as-you-go basis, or
 - To pay-off Mello Roos bonds issued to finance projects.
- Landowner voter process typical for newly developing areas.
- Requires early planning and implementation.

- Mello Roos Statutes Require Credit to Developers for School Impact Fees Otherwise Owed for New Development.
- Mello Roos Statutes Require School District Goals and Policies for Implementation, Including Attendance Priority Policies.

▪ **Case Study No. 1**

- District Sought New School Construction Revenue for Newly Developing Areas.
- District Met on Ongoing Basis With All Identified Local Development Firms.
- CFD was Formed Incorporating All Undeveloped Portions of the District, Subject to Future Development.
- Landowner Election was Successful.
- Over Time, Taxes Collected and Bonds Issued to Expand Existing Schools and Build New Schools.
- Program is Approaching its 20th Year of Funding Schools

▪ **Case Study No. 2**

- District and New Specific Plan Area Developers Sought Method to Ensure Adequate Funding for New Schools.
- At Full Build-Out Plan Area Will Require 5 New K-8 Schools and New High School.
- Through Meetings and Negotiations, Locations of School Sites, Order of Construction and Sources of Funding are Identified.
- Funds Include Developer Contributions, State Money and Mello Roos.
- At Present , K-8 School #1 Completed, K-8 Schools #2 and #3 under Construction

School Facilities Improvement Districts

- “A Method for the Formation of School Facilities Improvement Districts Consisting of a Portion of the Territory Within a School District . . . and for the Issuance of General Obligation Bonds by the School Facilities District.”

Education Code Section 15300

- For School Districts with Preexisting Mello Roos Districts
- Permits General Obligation Bond Type Measure in Territory Smaller than School District
- Separate Engineering Data and Financial Data Must Be Created as Part of Establishment of SFID
- To Finance Real Property and Facilities, Along with Renovation, Fixtures, Etc.

- May Be Done With Voter Approval of 66 2/3rds Percent or 55 Percent.
- May Not Exceed 2.5 Percent of Taxable Property, in Aggregate -- Unified Districts.
- May Not Exceed 1.25 Percent for Non-Unified Districts.
- If Done as 55 Percent Election, the Following Apply.

- Mandatory Citizen Oversight.
 - Selection of Members
 - Annual Reporting
 - Regular Meeting
- Bond Accountability Actions.
- Estimated Tax Rate May Not Exceed \$60 per \$100,000 of Assessed Valuation (Unified Districts).

- Estimated Tax Rate May Not Exceed \$30 per \$100,000 of Assessed Valuation (Non-Unified Districts)
- Election Only on Specified Dates

- Case Study No. 1
 - School District With Two Unique Communities Within its District Boundaries.
 - School District Establishes Two SFIDs With Different Tax Rates and Facility Programs.
 - Two Separate Elections Held.
 - Both Elections are Successful.
 - Different Needs of Divergent Communities are Addressed.

■ Case Study No. 2

- School District Primarily in One Community With Large Undeveloped Southern Territory in Another Community.
- District Seeks to Avoid Taxing Main Community to Offset Growth Generated by Adjacent, Southern Community.
- SFID Established in Southern Territory to Generate Revenue to Finance New Schools as Area Develops.
- Primary Community to the North is not Tapped to Fund Schools Made Necessary by Southern Growth.
- Election Results Pending.

THANK YOU!