



## **SCHOOL MITIGATION FEES**

In 1986, the Governor signed into law AB 2926 (Chapter 887/Statutes 1986) which authorized school districts to levy development fees to pay for new school facilities and established the maximum fees that can be charged to developers that are building new residential and non-residential projects. This fee is updated every two years as adjusted for inflation. Once the maximum rate is set by the State, it is the responsibility for each school district to establish its own rate.

The school fees are earmarked for improving and expanding school facilities to serve the school-age population that would be generated from new development. Land values and construction costs have dramatically increased since 1986 and the current adjusted maximum rate does not adequately mitigate the school impacts from new development.

Santa Clara is committed to the ongoing production of needed housing within the City and multiple residential projects are now in progress within the City at different stages of development, such as at Santa Clara Square and Lawrence Station. Other proposed residential developments include the Tasman East Specific Plan, the El Camino Real Specific Plan, the Freedom Circle Specific Plan, the Patrick Henry Specific Plan, CityPlace, and the Kylli project. Together, these new developments are projected to generate over 20,000 new housing units in Santa Clara.

With increasing community concern over the ability of school districts to meet the facility needs for a growing school-age population, consideration should be given to increasing the allowable school mitigation fees. Cities and school districts are constrained by the amount set by the State, and the current rate does not adequately cover the cost for new facilities and enhancements to existing facilities. This places a formidable challenge on school districts to implement their school modernization programs while also responding to the pressures of increasing enrollment. The City would support efforts by the State Legislature and/or Allocation Board to increase the rates and/or inflation calculator to more realistically reflect current school facility costs, or consider other provisions to allow school districts to effectively mitigate the impacts of new development.