



March 8, 2022

TO: Business Administrators  
Selected Los Angeles County School Districts

FROM: Bill Deegan, Manager  
Business Advisory Services

SUBJECT: Developer Fee Adjustment

The State Allocation Board (SAB) approved an increase in “Level 1” developer fees. Government Code Section 65995 (b) (3) provides for a biennial adjustment to the maximum Level 1 developer fees that can be imposed by school districts on a new development. The adjustment is based on the RSMeans index.

The SAB increased Level 1 developer fees for new residential and commercial/industrial construction will take effect immediately. School districts may levy up to **\$4.79** per square foot on new residential construction, and **\$.78** per square foot on new commercial/industrial construction. A school district’s Fee Justification Study must be updated to charge the new fee.

To mitigate the impact of development on school facilities, districts may collect developer fees exceeding the Level 1 statutory maximum, under specific circumstances. Level 2 developer fees represent fifty percent of a school district’s school facility construction costs per new home served, and applies to residential construction only. Collecting Level 2 fees will also require the preparation of a School Facilities Needs Analyst report.

Even though the new rates are effective immediately, your Governing Board **must** adopt a resolution before the district can increase the fees. The increase becomes effective, and can be levied, 60 days after the resolution has been adopted.

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If you have questions, please contact me at (562) 922-6623, or via e-mail at [Deegan\\_Bill@laoe.edu](mailto:Deegan_Bill@laoe.edu).

Approved by:

Octavio Castelo, Director

Business Advisory Services

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