

Palm Springs Unified School District Developer Fee FAQs

1. Why does the District Charge Developer Fees?

As a means to fund school facilities needed as a result of development. Government Code § 65995, Education Code § 17620 and Assembly Bill 2926, also known as the “1986 School Facilities Legislation,” granted school districts the right to levy fees to offset the impacts of school facilities from new residential and commercial industrial developments.

If the District does not collect all the developer fees it is deemed legally entitled to, the District may be considered ineligible to receive certain state funding.

2. Where can the District charge Developer Fees?

The District may only charge school fees inside District boundaries. Education Code § 17620(a)(1) permits school districts to levy fees against any construction within the boundaries of the district. Palm Springs Unified School District boundaries map can be found [here](#).

3. How/when are the fees levied?

A. Residential:

i. New residential construction.

ii. **Residential additions** over 500 square feet. This is an accumulative number. In other words, the 500 square feet minimum is applied to the building throughout the course of the structure’s life.

iii. **Relocated houses** moved from outside the District to within the District are charged the full rate for assessable space. Houses relocated from one location in the District to another location within the District are not subject to the fee, unless the assessable space of the house is increased in excess of 500 feet.

iv. **Accessory Dwelling Units (“ADUs”)**. School Districts are authorized to levy impact fees for ADU’s pursuant to Section 17620 of the Education Code. Note that the impact fee restrictions on ADUs imposed by Senate Bill 13 (“SB 13”) are only applicable to impact fees levied by cities, counties, and special districts. School districts are independently authorized to levy school developer fees per Education Code § 17620. SB 13 does not modify, suspend, or mention Education Code § 17620. Accordingly, SB 13 does not restrict school districts’ levies of school fees on ADUs. For the same reasons, AB 881 does not limit the levy of school developer fees on ADUs.

a. Construction of a new ADU that is detached or added to the exterior of an existing residential structure. In this example, a new external ADU would follow the same provisions as a residential addition. If the square footage is less than 500 square feet no fees will be assessed. For ADU’s over 500 square feet, developers fees will be assessed on the entire ADU.

b. Construction of an ADU that converts part of an existing residential structure and adds additional square footage beyond the existing residential structure.

In this example, there would only be the levy of fees for the added square footage in excess of 500 square feet. The fees for the converted square footage would be offset by the existing residential square footage. For example, a 750-square foot ADU that converts 200 square feet of an existing residence would only be levied fees for the new 550 square feet of residential space.

c. Conversion of existing residential space into an ADU. If the new ADU would be entirely enclosed within an existing residence, no fees would be levied, since there is no new square footage being created by the ADU. However, fees would apply to the conversion of a garage into an ADU since school fees are not levied against garages.

- v. **Assessable Space:** Assembly Bill 181 (AB 181), effective October 1, 1989, defines assessable space for which Developer Fees can be collected as all of the square footage within the perimeter of a residential structure, not including any carport, walkway, garage, overhang, patio, enclosed patio, detached accessory structure or similar area.

The amount of square footage within the perimeter of the residential structure shall be calculated by the building department of the city or county issuing the building permit, in accordance with the standard practice of that city or county in calculating structural perimeters (Gov. Code 65995, Subd. (B) (1) (AB181.)

If the apartment or condominium complex, dormitory, extended stay motel or other multiple family dwelling has a recreation room for the common use of the residents, the District shall charge the commercial/industrial rate for the recreation room portion of the project.

- vi. **Exclusions:** The following are excluded from the fees: Carports, walkways, garages, overhangs or patios, enclosed patios, detached accessory structures or similar enclosed areas, exclusively religious facilities, exclusively private full-time day schools, owned and operated federal facilities, owned and operated state facilities, owned and operated local agency facilities, construction to make a residential dwelling more accessible to a disabled person (requires a statement from a doctor), reconstruction of a structure destroyed in a disaster, replacement of a manufactured home on the original pad, replacement of a mobile home on the original pad, and greenhouses.

- B. **Commercial/industrial development:** Covered and enclosed spaces of commercial or industrial construction.

- i. **Includes:** hotels, inns, motels, tourist homes, short-term (30 days or less) lodging, senior citizen housing (restricted to 55 years old and over, Civil Code, § 51.3), residential care facilities for the elderly (Health & Safety Code, § 1569.2(k)), multilevel facility for the elderly (Gov. Code, § 14432(d)(9)), mobile home development limited to older persons (55 – 62), and private universities.
- ii. **Excludes:** storage areas incidental to the development, garages, parking structures, unenclosed walkways, or utility or disposal area, and residential hotels.

4. How much are the fees?

Fees Subject to Change:

- A. **Level I** fees are subject to change every year in January but are effective 60 days from the date that the District elects to adopt the fee increase.
 - i. \$0.78 for Commercial/Industrial Construction
 - ii. \$4.79 for Residential Construction
- B. **Level II** fees are subject to change annually if approved by the District and a School Facility Needs Analysis (SFNA) is adopted by the District. These fees are effective the day after adoption.
 - i. N/A for current fiscal year
- C. **Level III** fee is only effective when there are no state bond funds available.
 - i. N/A for current fiscal year

5. What are the steps to obtain a Certificate of Building Fee Compliance?

- A. Please email your request for a fee quote to developerfee@psusd.us and include one of the following documents in pdf format:
 - i. City letter: Tentative Building Permit
 - ii. County letter: Notice of School Impact Mitigation Requirement letter
 - iii. County letter: Development Verification Form
- B. Upon receipt of quote, notify the District of intent to pay:
 - i. Email a copy of payment to developerfee@psusd.us
 - ii. Mail payment to:

Palm Springs Unified School District
Attn: Developer Fees
150 District Center Dr.
Palm Springs, CA 92262
- C. Certificates of Building Fee Compliance will be prepared and sent to the requestor once payment is received. Please sign and return a copy of the certificate to developerfee@psusd.us

- D. Please note all transactions are contactless. Walk-ins will not be accepted. Any exceptions must be pre-arranged and scheduled with Patty Campos by phone at 760-883-2710 ext:4806076 or by email at developerfee@psusd.us

6. What are the acceptable payment methods?

ONLY check or money order-NO CASH OR ATM/CREDIT CARDS

- A. Checks or money orders made payable to: Palm Spring Unified School District
- B. Returned checks will receive a \$25.00 processing fee.
- C. The fees must be paid prior to the issuance of a building permit

7. Are there refunds of fees?

IN CERTAIN CIRCUMSTANCES.

- A. Only if construction does not commence, as provided in Education Code § 17624 and Government Code § 65995.

- B. To obtain a refund, you must provide certification from the city that the project has been canceled. Allow 30 to receive the refund. The District will withhold 3% from the original amount paid for the developer fee as an application fee.

- C. **Refund Procedure:**
 - i. Fill out the Certificate of Compliance Refund Form.
 - ii. Attach a copy of the certificate of cancellation from the city with the paperwork.
 - iii. Submit to the Director of Facilities for proper signature.
 - iv. Submit to Accounting for the refund.

8. Is there a time limit for refunds on school fees?

YES.

Education Code § 17624 authorizes refunds; however, per Civil Code § 338(a), the statute of limitations for a refund is three (3) years from the date that a refund becomes available. A refund becomes available once the building permit for which Developer Fees were paid expires.

9. Is Demolition Credit available?

IN CERTAIN CIRCUMSTANCES.

- A. **Commercial/Industrial** - Education Code §17620(a)(1)(A) specifically requires a demolition credit for existing covered square footage of commercial/industrial construction regardless of its age. Therefore, with new commercial and industrial construction, developer fees may be assessed to any square footage of enclosed space in excess of the square footage of the prior existing structure, measured on the date the first building permit is issued for a project. This essentially means that a “credit” is to be given per square foot to all new commercial and industrial construction for any structures that were demolished on the site after the beginning of a project. In such cases, a credit will be applied up to the original square footage, with current fees being paid for increases in square footage over 500 square feet. However, under section 17620(a)(1)(A), no credit is available for

commercial/industrial that no longer exists on the day the building permit for the new construction was first applied for.

- B. **Residential** - Developer fees were assessed on new construction built after September 1, 1986. Any structure built prior to this time does not qualify for a credit and will pay developer fees on the new construction or reconstruction square footage. The Education Code 17620(a)(1)(C)(i) does not provide for a “credit” per square foot as it relates to new residential structures. Therefore, the District may assess developer fees to all new residential structures. However, no fee will be charged on residential reconstruction after the original structure is demolished so long as the reconstruction is within the original footprint of the original structure and does not exceed the assessable square footage of the original building. If the reconstruction exceeds the assessable square footage of the original residence that is demolished, the increased square footage will be considered new construction, and a fee will be charged. (Revised ruling as of January 2010).
- C. **Disaster reconstruction** - Education Code § 17626(a) defines a disaster as “a fire, earthquake, landslide, mudslide, flood, tidal wave, or other unforeseen event that produces material damage or loss.” Any structure that is damaged or destroyed as a result of a disaster is entitled to a demolition credit against reconstruction, so long as the rebuilt square footage does not exceed the structure’s original square footage. (*Ibid.*)

Please contact Palm Springs Unified School District Fiscal Services Department if further clarification of request for credit is required prior to the developer fee payment application to allow adequate time for staff to review and verify each individual case and the facts surrounding the request for credit. Any disputes after review of staff will be handled under Education code Section 17261, which provides information on protesting of developer fees in accordance with Government Code Section 66020(a). Protests must include, (1) full payment of required fees to the District; (2) written notice to the District of the protest and the factual elements of the dispute and legal theory on which the protest is based. Payment of fees must be received prior to the written protest being sent to legal counsel for review.

10. What is a Certificate of Compliance?

A Certificate of Compliance is the form that must be completed and certified by the District and returned to the appropriate city or county office.

11. May I obtain an extension for paying my fees?

Only at the Board’s sole discretion can an extension be granted. The Board may grant an extension for any number of days up to and including thirty (30) days. ONLY three extensions are given to the developer for a total of 90 days. If a building permit is not issued, for the construction of the corresponding dwelling unit, the developer will be reimbursed all amounts paid less a 3% application/handling fee, without interest, that was paid to obtain the Certificate of Compliance.

12. Are there fees for Manufactured Homes, Mobile Homes, and Factory-Built Homes?

A. Definitions

- i. **Manufactured Home:** Health and Safety Code § 18007. A structure, transportable on one or more sections, within the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein
- ii. **Mobile Home:** Health and Safety Code § 18008. A structure that meets the requirements of section 18007. "Mobile home" does not include a commercial coach, as defined in Section 18001.8, factory-built housing, as defined in section 19971, or a recreational vehicle, as defined in section 18010.
- iii. **Factory-Built Housing:** Health and Safety Code § 19971. A residential building, dwelling unit, or an individual dwelling room or combination of rooms thereof, or building component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacture cannot be inspected before installation at the building site without disassembly, damage, or destruction of the part, including units designed for use as part of an institution for resident or patient care, that is either wholly manufactured or is in substantial part manufactured at an offsite location to be wholly or partially assembled onsite in accordance with building standards published in the California Building Standards Code and other regulations adopted by the commission pursuant to section 19990. Factory-built housing does not include a mobile home, as defined in section 18008 a recreational vehicle, as defined in section 18010.5, or a commercial modular, as defined in section 18012.5.

B. If an existing manufactured home or mobile home is replaced with a new MF or MH and it is placed on the original pad, may school districts levy school fees?

NO. A fee may ONLY be levied if all three requirements under Education Code § 17625(a) are satisfied. Education Code § 17625(a)(2) requires that the mobile home is located, installed or occupied on a space or site on which no other mobile home was previously located, installed or occupied. Therefore, if an existing mobile home is replaced with a new mobile home and the new mobile home is placed on a prior mobile home's pad, a school district cannot levy school fees on the new mobile home because it is located on a site where a mobile home was previously located. Education Code § 17625(A) does not draw a distinction on whether the mobile home is located inside or outside of a mobile home park.

C. For the question above, does it matter if the replacement manufactured home or mobile home has a permanent foundation?

NO. The fact that a manufactured home or mobile home has a permanent foundation is not significant for purposes of whether or not school district may levy school fees. The definitions of both manufactured home and mobile home indicate that these vehicles are “designed to be used as a dwelling with or without a permanent foundation.” Pursuant to Education Code § 17625(a)(2), school districts may not levy school fees because the replacement mobile home is to be located on a space on which a mobile home was previously located.

D. May school districts charge school fees on additions to manufactured homes or mobile homes?

NO. Manufactured homes or mobile homes are not treated as “new residential construction” per Education Code § 17620. School districts may only levy school fees on manufactured homes or mobile homes that: (1) satisfy the three requirements set forth in Education Code § 17625(a); and (2) do not qualify for any of the specific exemptions under Education Code § 17625(s). A subsequent addition to a manufactured home or mobile home would not authorize the levy of school fees as such fee would not be charged on its initial installation or occupancy.

E. If there is a manufactured home or mobile home located within a school district that is moved from its original pad to a new pad within the district, may the district collect school fees at the new location?

NO. School fees may only be levied on manufactured homes or mobile homes that: (1) satisfy the three requirements set forth in Education Code § 17625(a); and (2) do not qualify for any of the specific exemptions set forth in Education Code § 17625(c). The first of the three requirements states that school fees may only be levied upon the initial location, installation or occupancy of a manufactured home or mobile home within the school district. Because the manufactured home or mobile home’s first location would be considered the initial location within the school district, the district cannot charge school fees when the owners move the manufactured home or mobile home to another location within the district.

F. If an existing manufactured home or mobile home is replaced with a factory-built house and the factory-built house is placed on the original manufactured home or mobile home’s pad, may a school district levy school fees?

YES. Per Education Code §17625(d), if a manufactured home or mobile home is replaced with a permanent residential structure (*i.e.*, a factory-built house, a bricks and mortar home, etc.) on the same lot, then the school district may give a credit for the original fee paid for the manufactured home or mobile home that is due toward the payment of the fee due under Education Code § 17620 for the factory-built house. However, pursuant to Education Code § 17620(a)(1)(C)(i), the District may only levy school fees if the resulting increase in assessable space exceeds 500 square feet. The key difference between a manufactured home or mobile home and a factory-built house is that the manufactured home and mobile home have a chassis while a factory-built house does not because it is built offsite and then assembled onsite.

G. What school fee amount should school districts charge for manufactured homes or mobile homes?

The Level II Fee, if the rate is in effect within the school district, and if not, then the Level I Fee. If the manufactured home or mobile home meets the three requirements as explained above under Education Code § 17625(a) and does not qualify for any of the specific exemptions in Education Code § 17625(c), then the school district should be charging the Level II fee (or Level I fee, if applicable in the district at such time).

As explained above, pursuant to Government Code § 65995.2, only the Commercial/Industrial Rate should be charged for manufactured homes or mobile homes that are located within a mobile home park in which residence is limited to older persons.

H. What school fee amount should the school district charge for factory-built homes?

The level II Fee, if that rate is in effect within the school district, and if not, then the Level I Fee. Factory-built homes are treated the same as “new residential construction” pursuant to Education Code Section 17620. Please see the preceding definitions to determine if a structure is a factory-built home.

I. If the school district has previously collected school fees for a manufactured home or mobile home in a situation in which the district was not authorized to levy school fees, may the owner require the district to repay such school fees?

YES. Education Code § 17625(e) provides that notwithstanding any other provision of law, after January 1, 1987, any school district that collected any fee from a manufactured home or mobile home “shall immediately repay the fee” to the person who made the payment if the fee would not have been authorized pursuant to Education Code § 17625(a). Accordingly, if the district now collects school fees for manufactured homes or mobile homes that do not meet the three requirements of Education Code § 17625(a) or manufactured homes or mobile homes that are exempt from School Fees pursuant to Education Code § 17625(c), the district will have to repay those school fees.

J. If the school district has previously collected school fees for factory-built homes in a situation in which the district was not authorized to levy school fees, may the owner require the district to repay such school fees?

YES. The protest the amount of fees levied on residential development by a school district, the complaining party must pay the fee and submit a letter protesting the amount of the fee within 90 days of the date of imposition of the fees, (Gov. Code § 66020(d)(1)). If a protest is timely served, an action to attack an imposition of fees must then be filed within 180 days of protest, (*id.* § 66020(d)(2)). Fees that are not protested in a timely manner cannot be the subject of a civil action for recovery, (*id.* § 66020(d)). Thus, if the District has collected fees for a factory-built house that was not subject to fees pursuant to Education Code § 17620, and the person who made the payment files a timely protest with the district, the district would be required repay the fees.

13. May I pay my fees with a Letter of Credit (LOC)?

NO. The posting of a bond or letter of credit (LOC) is a method in which a developer owes a district funds but cannot pay all of it up front. In the case of paying for development that has not yet been approved by the City, the District is not yet owed any funds. In fact, if we allowed this, the District would be placed in a compromised position since a Certificate of Compliance would be issued without any funds to account for it. Furthermore, the District would be forgoing any increases in fees.

14. Will fees be assessed on a use conversion, i.e., commercial property to residential?

YES. Changing the use from commercial/industrial to residential is considered “New Residential Construction” and will be assessed the current Level II fee. This holds even if there is no construction per se, as this will be the first time the space has been used as a residence; therefore, opening up the potential to house school-aged children.

If the developer can prove that fees were paid for the original commercial/industrial construction, a credit for this payment may be applied to the amount of new residential fees assessed. However, the burden of proof lies with the developer. If, in the future, the space is converted back to commercial space, NO REFUND/CREDIT may be issued.