

AMENDED IN ASSEMBLY MAY 19, 1999  
AMENDED IN ASSEMBLY MAY 6, 1999  
AMENDED IN ASSEMBLY APRIL 26, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1516**

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**Introduced by Assembly Member Florez**

February 26, 1999

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An act to add Sections 15304 and 15334.6 to the Education Code, relating to school facilities improvement districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1516, as amended, Florez. School facilities improvement districts.

Existing law authorizes certain local agencies to impose limited fees or other charges against certain development projects to fund the construction or reconstruction of school facilities. Under existing law, a building permit may not be issued for any development absent certification by the appropriate school district of compliance by the development project with the fee, charge, dedication, or other requirement levied by the governing board of that school district. Under existing law, for residential development, the limit on fees is \$1.93 per square foot and for commercial development the limitation is 31¢ per square foot excluding permissible adjustment for inflation. Existing law prohibits the legislative body of a local agency from levying development fees or other

requirements for the construction or reconstruction of schools, other than pursuant to designated statutory authority.

This bill would provide that the imposition of these fees or other charges does not limit or prohibit the use of a school facilities improvement district to finance the construction of school facilities. The bill would provide, however, that the use of a school facilities improvement district may not be required as a condition of, and the refusal of a person to agree to undertake or cause to be undertaken an act relating to a school facilities improvement district may not be a factor when considering the approval of, a legislative or adjudicative act, or both, involving, but not limited to, the planning, use, or development of real property, or a change in government organization or reorganization, as defined.

This bill would provide that if a person voluntarily elects to establish, or annex into, a school facility improvement district, the value of the bonds is required to be calculated as an amount per square foot of assessable and proposed assessable space within the district and that amount shall be a credit against any applicable fee, charge, dedication, or other requirement imposed for the construction of school facilities.

*This bill would require a seller to provide written notice to the purchaser of real property located within a school facilities improvement district prior to the close of escrow, of the existence of the district, the total outstanding amount of the bond, and the outstanding amount imposed by the bond on the real property that is the subject of the purchase.*

Existing law authorizes school districts to form school facilities improvement districts consisting of a portion of the territory within a school district and authorizes the school facilities improvement district to issue general obligation bonds for school facilities construction purposes.

This bill would authorize a school facilities improvement district, the territory of which includes a development of 1,000 or more residential units, at least 200 of which have been constructed, to issue bonds based upon the assessed valuation of the constructed units and up to 50% of the proposed assessed valuation of the development's residential units that have not yet been constructed. The bill would also provide that, when sufficient additional units have been constructed



so that the assessed valuation of these units equals or exceeds 50% of the proposed assessed valuation previously calculated under the bill, bonds may be issued for the remaining proposed assessed valuation of any residential units that have not yet been constructed.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 15304 is added to the Education  
2 Code, to read:

3 15304. (a) Section 65995 of the Government Code  
4 does not limit or prohibit the use of this chapter to finance  
5 the construction of school facilities. However, the use of  
6 this chapter may not be required as a condition of the  
7 approval of a legislative or adjudicative act, or both,  
8 involving, but not limited to, the planning, use, or  
9 development of real property, or a change in government  
10 organization or reorganization, as defined in Sections  
11 56021 or 56073 of the Government Code.

12 (b) The refusal of a person to agree to undertake or  
13 cause to be undertaken an act relating to this chapter,  
14 including formation of, or annexation to, a school facility  
15 improvement district, voting to authorize bonds along  
16 with a tax to amortize those bonds, or authorizing another  
17 vote to authorize bonds, along with a tax to amortize those  
18 bonds, may not be a factor when considering the approval  
19 of a legislative or adjudicative act, or both, involving, but  
20 not limited to, the planning, use, or development of real  
21 property, or a change in government organization or  
22 reorganization, as defined in Sections 56021 or 56073 of  
23 the Government Code.

24 (c) If a person voluntarily elects to establish, or annex  
25 into, a school facility improvement district, the value of  
26 the bonds shall be calculated as an amount per square foot  
27 of assessable and proposed assessable space within the  
28 district and that amount shall be a credit against any  
29 applicable, fee, charge, dedication, or other requirement  
30 imposed for the construction of school facilities. For



1 purposes of this subdivision, the calculation of present  
2 value shall use the interest rate paid on a United States  
3 Treasury 30-year bond on the date of the formation of, or  
4 annexation to, the school facility improvement district.

5 (d) *The seller shall provide written notice to the*  
6 *purchaser of real property that the property is within a*  
7 *school facilities improvement district established*  
8 *pursuant to this chapter. This notice of the existence of a*  
9 *school facilities improvement district shall be provided*  
10 *prior to the close of escrow. This notice shall include the*  
11 *total outstanding amount of the bond and the outstanding*  
12 *amount imposed by the bond on the real property that is*  
13 *the subject of the purchase.*

14 (e) For purposes of this section, “school facilities”  
15 means any school related consideration that relates to a  
16 school district’s ability to accommodate enrollment.

17 SEC. 2. Section 15334.6 is added to the Education  
18 Code, to read:

19 15334.6. A school facilities improvement district, the  
20 territory of which includes a development of 1,000 or  
21 more residential units, at least 200 of which have been  
22 constructed, may issue bonds based upon the assessed  
23 evaluation of the constructed units and up to 50 percent  
24 of the proposed assessed valuation of the development’s  
25 residential units that have not yet been constructed.  
26 When sufficient additional units have been constructed  
27 so that the assessed valuation of these units equals or  
28 exceeds 50 percent of the proposed assessed valuation  
29 previously calculated under this section, bonds may be  
30 issued for the remaining proposed assessed valuation of  
31 any residential units that have not yet been constructed.

