New Orinda Development Unlikely to be a Boon for Schools, City By Chris Lavin

Two major housing developments in Orinda – possibly the city's last -- are well under way, with 369 multiple family dwellings likely to have for-sale signs out front by the end of 2008. So two major questions impact the city's future: Why will the additional property taxes fail to swell the city's coffers, and why is the school district still predicting declining enrollment over the next decade?

Like other schools throughout the Bay Area, both the Acalanes and Orinda Union school districts are expecting enrollment to steadily decline over the next 10 years, which means fewer state funds coming their way from the state.

"Officials have been watching it," said OUSD School Board President Pat Rudebusch. "It's not that drastic."

In the early 1970s Orinda's school enrollment was around 3,000. In the mid-80's, that had dropped to the low point of about 1,600. Now the schools have been hovering around 2,400 for several years, but they expect a steady decline.

Yet the declining enrollment and its corresponding budget reductions come at a time when 245 high-end homes are under construction in a city with one of the best reputations for its public schools in the state. Houses at Wilder – known over the two decades in the approval process first as Gateway Valley, then as Montanera – are expected to be sold in the \$2 million range, producing almost \$25,000 in property taxes per house per year – from families many of whom are expected to have young children.

"You have to remember that only 7 cents on every dollar paid

in property taxes comes back to the city of Orinda," said City Councilmember Amy Worth. Instead, property taxes throughout California go straight to the state, which controls the purse strings – a hotly debated subject between cities and counties throughout the state since Proposition 13 made the change in 1978.

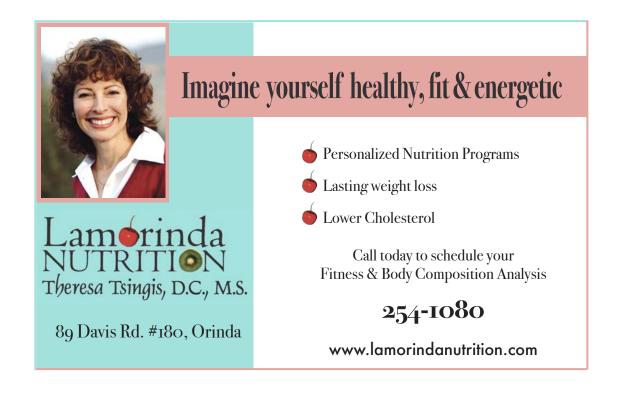
That means that even if every home in the new developments sells for an average \$2 million, only about \$500,000 will be added to the city's annual budget.

In fact, opponents of the recently defeated Measure E, which would have raised \$59 million through bonds to fix Orinda's crumbling roads and water pipes, claimed in numerous letters to the editor and public forums that additional taxes from the city's new homes could pay not only to fix the roads, but for a plethora of other wish-list items as well.

"That's just not going to happen," Mayor Steve Glazer has said.

Besides the 200-plus homes in Wilder, the Pine Grove development will add another 80 homes to Orinda's real estate lists. But that many homes won't produce a significant change in Orinda's school population, city officials believe.

And while the new homes will certainly help contribute some money to the city, they will likely be the last. The city's general plan calls for limited development, and the prime spots marked for new homes have already been consumed.





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