

**EXHIBIT A**

**TRACY UNIFIED SCHOOL DISTRICT’S 2021-2022 ANNUAL DEVELOPER FEE REPORT AND FIVE –YEAR DEVELOPER FEE FINDINGS**

**(Government Code §§ 66001 & 66006)**

**2021-2022 FISCAL YEAR**

**I. Annual Developer Fee Report**

The fee amounts reported were authorized by the District’s Board of Education.<sup>1</sup> The fees partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the school facilities necessary to accommodate student growth.

Each of the capitalized letters A-H below, correspond to the specific letter and portion of Government Code section 66006(b)(1):

A. FEEES COLLECTED IN FUND 25 (CAPITAL FACILITIES FUND) - A brief description of the types of Developer Fees in the Fund:

- (1) Level 1 Developer Fees
  - Commercial/industrial development
  - Mini-storage category of commercial/industrial development
  - new residential development, including ADUs
  - residential additions, remodels, expansions, reconstruction
- (2) Mitigation Payments<sup>2</sup>
  - new residential development
  - Commercial/industrial development

B. AMOUNT OF FEE – The amount of the Developer Fees for the 2021-2022 fiscal year:

Type of Fee Collected				
<i>Effective Date:</i>	3/24/2020 (K-12 Boundaries)	03/24/2020 (K-8 Feeder Boundaries)	6/11/22 (K-12 Boundaries)	6/11/22 (K-8 Feeder Boundaries)
Level 1 - Residential	\$4.08/sf	\$1.02/sf	\$4.79/sf	\$1.1975/sf

<sup>1</sup> See Resolution No. 17-24, dated March 13, 2018 and Resolution No. 21-16, dated April 12, 2022.

<sup>2</sup> Although mitigation payments collected in lieu of statutory developer fees pursuant to various mitigation agreements entered into between the District and certain developers/owners are exempt from the reporting requirements of Government Code section 66001(d) and 66006(b), such mitigation payments are included in this report to provide a complete picture of collections and expenditures necessitated to accommodate student growth generated by new development. Such amounts vary by mitigation agreement, type of development, time of payment, contractual adjustments, and other factors specific to the particular agreement based on terms mutually agreed upon by the parties.

Level 1 – Commercial/Industrial	\$0.66 /sf	\$0.165/sf	\$0.78/sf	\$0.195/sf
Level 1 – Rental/Mini-storage	\$0.066/sf	\$0.012/sf	\$0.066/sf	\$0.012/sf
Level 1 – Senior Housing	\$0.66/sf	\$0.165/sf		

C. BEGINNING & ENDING FUND BALANCE FOR FISCAL YEAR 2021-2022:

July 1, 2021 Beginning Fund Balance:	\$ 47,998,405.56 <sup>3</sup>
June 30, 2022 Ending Fund Balance:	\$ 52,296,036.77 <sup>4</sup>

D. REVENUE – The amount of the Developer Fees collected and the interest earned for the 2021-2022 fiscal year:

Amount of fees collected (gross):	\$ 4,120,133.27 <sup>5</sup>
Interest earned:	\$ 187,155.00
<b>TOTAL REVENUE (GROSS):</b>	<b>\$ 4,307,288.27<sup>6</sup></b>

E. EXPENDITURES – Projects on which Developer Fees were expended during the 2021-2022 fiscal year and the amount of the expenditures on each Project, including the total percentage of the cost of the Project that was funded with Developer Fees:

<b>Project</b>	<b>Amount Expended in 2021-2022 Fiscal Year</b>	<b>% Funded with Developer Fees</b>
Library Refurbishment Projects to create flexible space for expanded learning to maintain existing levels of service due to increased demand on the facilities generated by new development (North, Monte Vista, South West, Villalovoz)	\$491,713.45	100%
Professional/Consulting Services – Legal fees in connection with the adoption of Developer	\$17,158.00	100%

<sup>3</sup> The 2021-22 beginning fund balance does not exactly equal the 2020-21 ending fund balance reflected in the District's Annual Developer Fee Report and Five-Year Developer Fee Findings because of auditor's adjustments. This amount reflects both statutory developer fees collected and mitigation payments received.

<sup>4</sup> Accounting for a transfer of \$628,432.60 from Fund 25 as discussed in Section G, the ending Fund Balance is \$51,667,604.10. Further, of this amount, \$4,911,548.19 has been set aside pending the outcome of current litigation.

<sup>5</sup> Of this amount, \$1,466,200.88 accounts for statutory developer fees collected, and \$2,653,932.39 accounts for mitigation payments received under mitigation agreements.

<sup>6</sup> This amount reflects a transfer of \$3,319,922.51 that was transferred to Banta Unified School District upon unification.

Fees and requisite reporting – Dannis Woliver Kelley		
Reimbursement of Direct and Administrative Costs Incurred for Collecting Developer Fees for 2021-2022 Fiscal Year (up to 3% of amount of Developer Fees collected in same fiscal year)*	\$129,218.65	3% of fees collected
Other Set Aside: <sup>7</sup>	\$ 4,911,548.19	100%
<b>TOTAL EXPENDITURES:</b>	<b>\$ 5,549,638.29</b>	

\*(Ed. Code, §17620(a)(5))

F. INCOMPLETE PROJECTS FUNDED WITH DEVELOPER FEE REVENUES – Incomplete Projects for which sufficient funds have been collected (as of the end of the 2021-2022 Fiscal Year) to complete financing of the Project, and the approximate date by which construction of the Project will commence:<sup>8</sup>

<b>Incomplete Projects for Which Sufficient Funds Have Been Collected to Complete Financing of Project</b>	<b>Approximate Date Construction Will Commence</b>	<b>Anticipated Funding Amount</b>
West High School Agricultural Center Expansion Project (to accommodate student growth generated by new development) and Tennis Court Renovation Project (to maintain existing levels of service due to increased demand on the facilities generated by new development)	Summer 2023	\$3,023,738.00
Tracy High School Tennis Court Refurbishment Project (to maintain existing levels of service due to increased demand on the facilities generated by new development)	Winter 2022/2023	\$1,300,000.00 (estimated)

<sup>7</sup> Consists of funds set aside pending outcome of litigation.

<sup>8</sup> Due to the COVID-19 pandemic and associated impacts such as labor shortages, etc., the District has been unable to initiate as many projects as anticipated.

Kimball High School Tennis Court Renovation (to maintain existing levels of service due to increased demand on the facilities generated by new development)	Winter 2022/2023	\$2,328,000.00
Kinder Playground Structure & Playground Upgrades Project at McKinley Elementary (to maintain existing levels of service due to increased demand on the facilities generated by new development)	Summer 2023	\$200,000.00 (estimated)
Playground Structure/Outdoor Classroom Project at Poet School to accommodate student growth generated by new development	Summer 2024/25	\$200,000.00 (estimated)
Justification Study	Winter 2024	\$15,000.00 (estimated)
Total:		\$7,066,738.00

In approximately 2024, the District intends on gathering all relevant data and contracting with a consultant in order to prepare an updated Developer Fee Justification Study that coincides with the State Allocation Board’s 2024 biennial adjustment to the amount of Level 1 residential and commercial/industrial Developer Fees, which typically occurs every other year at the SAB’s January meeting.

Additionally, the District intends to expanded its classroom counts to accommodate for the additional student growth and construct new classrooms or retrofit existing school facilities for the purpose of providing facilities to house student enrollment growth.

G. INTERFUND TRANSFERS & LOANS – Description of each interfund transfer or loan made to and/or from the Fund for the 2021-2022 fiscal year:

<b>Amount of Interfund Transfer or Loan</b>	<b>Project that Transferred or Loaned Fees Expended on</b>	<b>Date Loan to be Repaid on (Loans Only)</b>	<b>Rate of Interest on Loan (Loans Only)</b>
\$628,432.60	Interfund transfer to reimburse for projects identified in Table E, above	N/A	N/A

H. REFUNDS & ALLOCATIONS – The amount of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to Government Code section 66001(f) for the 2021-22 fiscal year:

Refunds Made:	N/A
Allocations Made:	N/A

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## II. Five-Year Developer Fee Findings

The following findings are made in connection with the public information set forth in Tracy Unified School District's 2021-2022 Annual Developer Fee Report.

A. PURPOSE TO WHICH DEVELOPER FEE IS TO BE PUT (Gov. Code, §66001(d)(1)(A)): With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2021-22 fiscal year, the purpose of the Developer Fees is to finance the construction or reconstruction, including refurbishment, of School Facilities necessary to accommodate student population growth resulting from development, cover costs attributable to the increased demand for School Facilities reasonably related to new development and necessary to maintain existing levels of service, and reduce overcrowding caused by the development on which the fees were levied. As necessary, the fees will be used to provide interim housing for children generated by new development and for other school-related considerations relating to the District's ability to accommodate enrollment growth generated from new development as permitted by law. Likewise, fees will also be used for other indirect and support services related to construction and reconstruction of School Facilities necessitated by growth resulting from new development, including administrative costs in connection with the collection of fees, and legal fees and other costs connected with the establishment of the fee and the required reportings. Projects (and other school-related considerations) include, without limitation, the projects listed above under Section F of the Annual Report, along with those projects identified in the District's Facilities Master Plan, board approved May 12<sup>th</sup>, 2015 (incorporated herein by reference), which identify additional school facilities needed in our around communities most greatly affected by large development projects, including, without limitation, schools serving the Tracy Hills Specific Plan attendance area.

Note: The District has commissioned site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District's long-term facility needs. These documents will include lists of recommended projects, in order of need and priority for future construction.

B. REASONABLE RELATIONSHIP BETWEEN DEVELOPER FEE & PURPOSE (Gov. Code, §66001(d)(1)(B)): There is a reasonable relationship between the Developer Fees charged for residential and commercial/industrial development and the purposes for which they will be expended, as described in Paragraph A, in that the students that are generated by residential and commercial/industrial development will be accommodated by the School Facilities for which the Developer Fees are expended. The District does not have adequate

facilities to accommodate students from new development, and thus there is a reasonable relationship between the Developer Fees charged and the need for construction and reconstruction, including refurbishment, of School Facilities. The Developer Fees collected do not exceed the cost of accommodating students generated by development. Rather, the Developer Fees only partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the School Facilities necessary to accommodate student growth. Please refer to the District’s Justification Study and mitigation agreements for further details concerning the reasonable relationship between the fee’s use and type of development project on which the fee is imposed, the reasonable relationship between the need for the school facilities and the type of development project on which the fee is imposed, and the reasonable relationship between the amount of the fee and the cost of the school facilities.<sup>9</sup>

C. ANTICIPATED SOURCES & AMOUNTS OF FUNDING TO COMPLETE FINANCING OF INCOMPLETE PROJECTS (Gov. Code, §66001(d)(1)(C)): With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2021-2022 fiscal year, the sources and amounts of Anticipated Funding to complete financing of any incomplete improvements identified in Paragraph A are as follows:

<b><u>Anticipated Source of Funding</u></b>	<b><u>Anticipated Amount of Funding</u></b>
Developer Fees	See Section F of Annual Report; See Section A, above
Total Anticipated Funding:	See Section F of Annual Report; See Section A, above

Note: The District has commissioned site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District’s long-term facility needs. These documents will include lists of recommended projects, in order of need and priority. Developer Fees will be included in the funding model, to address construction/renovation (refurbishment) needs resulting from increased student enrollment due to development. Preliminary anticipated costs of facilities needed exceed \$50,000,000.00.

D. APPROXIMATE DATE THAT ANTICIPATED FUNDING IS EXPECTED (Gov. Code, §66001(d)(1)(D)): With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2021-2022 fiscal year, the following are the approximate dates on which the Anticipated Funding referred to in Paragraph C above is expected to be deposited into the Fund:

<b><u>Anticipated Source of Funding</u></b>	<b><u>Anticipated Amount of Funding</u></b>
Developer Fees	End of FY 2024 <sup>10</sup>
Total Anticipated Funding:	N/A

<sup>9</sup> In connection with the adoption of this Annual and Five-Year Report, the District’s Board reviewed and considered the District’s Justification Study, which was originally adopted by the Board on March 13, 2018 and reconsidered by the Board on April 12, 2022. The District’s Justification Study is incorporated herein by reference.

<sup>10</sup> Based on projected current school facility need.