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2024 DEVELOPER FEE JUSTIFICATION STUDY FOR SAN JUAN UNIFIED SCHOOL DISTRICT

MELISSA BASSANELLI,
SUPERINTENDENT

PREPARED BY

SCHOOLWORKS, INC.
8700 Auburn Folsom Rd., #200
Granite Bay, CA 95746

PHONE: (916) 733-0402
WWW.SCHOOLWORKSGIS.COM




TABLE OF CONTENTS

| | |
|--|-----------|
| Executive Summary | 1 |
| Background | 2 |
| Purpose and Intent | 3 |
| Burden Nexus | 3 |
| Cost Nexus | 3 |
| Benefit Nexus | 3 |
| Enrollment and Impacts | 4 |
| Student Generation Factor | 5 |
| New Residential Development Impacts | 6 |
| Existing Facility Capacity | 7 |
| Classroom Loading Standards..... | 7 |
| Existing Facility Capacity | 8 |
| Unhoused Students by State Housing Standards | 9 |
| Calculation of Development's Fiscal Impact on Schools | 9 |
| New Construction Costs | 10 |
| Reconstruction/Modernization Costs..... | 10 |
| Impact of New Residential Development..... | 12 |
| Impact of Other Residential Development..... | 13 |
| Impact of Commercial/Industrial Development..... | 14 |
| Employees per Square Foot of Commercial Development | 14 |
| Students per Employee | 15 |
| School Facilities Cost per Student | 15 |
| Residential Offset | 16 |
| Net Cost per Square Foot | 17 |
| Impact of Replacement/Reconstruction Projects | 17 |
| Verifying the Sufficiency of the Development Impact..... | 18 |
| District Map | 19 |
| Conclusion..... | 20 |
| Burden Nexus | 20 |
| Cost Nexus | 20 |
| Benefit Nexus | 20 |

Appendices

- A. Census Data**
- B. Use of Developer Fees**
- C. Site Development Costs**
- D. Index Adjustment on the Assessment for Development – State Allocation Board Meeting of January 24, 2024**
- E. Annual Adjustment to School Facility Program Grants**
- F. Impacts of the Sunrise Tomorrow Specific Plan**



Executive Summary

This Developer Fee Justification Study demonstrates that the San Juan Unified School District requires the full statutory impact fee to accommodate impacts from development activity.

A fee of \$4.79 per square foot for residential construction and a fee of \$0.78 per square foot for commercial/industrial construction is currently assessed on applicable permits pulled in the District. The new fee amounts are **\$5.17** per square foot for residential construction and **\$0.84*** per square foot for commercial/industrial construction. This proposed increase represents \$0.38 per square foot and \$0.06 per square foot for residential and commercial/industrial construction, respectively.

The following table shows the impacts of the new fee amounts:

Table 1
San Juan Unified
Developer Fee Collection Rates

| Totals | <u>Previous</u> | <u>New</u> | <u>Change</u> |
|-----------------|-----------------|------------|---------------|
| Residential | \$4.79 | \$5.17 | \$0.38 |
| Commercial/Ind. | \$0.78 | \$0.84 | \$0.06 |

*except for Rental Self Storage facilities in which a fee of \$0.05 per square foot is justified.

The total projected number of housing units to be built over the next five years is 945. The average area per unit is 1,885 square feet. This Study demonstrates a need of \$5.31 per square foot for residential construction.

Background

Education Code Section 17620 allows school districts to assess fees on new and replacement residential and new and replacement commercial construction within their respective boundaries. These fees can be collected without special city or county approval, to fund the construction of new school facilities necessitated by the impact of residential and commercial development activity. In addition, these fees can also be used to fund the reconstruction of school facilities to accommodate students generated from new development projects. Fees are collected immediately prior to the time of the issuance of a building permit by the City or the County.

As new development generates students, additional school facilities or modernization of existing facilities will be needed to house the new students. Because of the high cost associated with constructing school facilities and the District's limited budget, outside funding sources are required for future school construction. State and local funding sources for the construction and/or reconstruction of school facilities are limited.

The authority cited in Education Code Section 17620 states in part "... the governing board of any school district is authorized to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities." The legislation originally established the maximum fee rates at \$1.50 per square foot for residential construction and \$0.25 per square foot for commercial/industrial construction. Government Code Section 65995 provides for an inflationary increase in the fees every two years based on the changes in the Class B construction index. As a result of these adjustments, the fees authorized by Education Code 17620 are currently **\$5.17** per square foot of residential construction and **\$0.84** per square foot of commercial or industrial construction.

Purpose and Intent

Prior to levying developer fees, a district must demonstrate and document that a reasonable relationship exists between the need for new or reconstructed school facilities and residential, commercial and industrial development. The justification for levying fees is required to address three basic links between the need for facilities and new development. These links or nexus are:

Burden Nexus: A district must identify the number of students anticipated to be generated by residential, commercial and industrial development. In addition, the district shall identify the school facility and cost impact of these students.

Cost Nexus: A district must demonstrate that the fees to be collected from residential, commercial and industrial development will not exceed the cost of providing school facilities for the students to be generated from the development.

Benefit Nexus: A district must show that the construction or reconstruction of school facilities to be funded by the collection of developer fees will benefit the students generated by residential, commercial and industrial development.

The purpose of this Study is to document if a reasonable relationship exists between residential, commercial and industrial development and the need for new and/or modernized facilities in the San Juan Unified School District.

Following in this Study will be figures indicating the current enrollment and the projected development occurring within the attendance boundaries of the San Juan Unified School District. The students generated will then be loaded into existing facilities to the extent of available space. Thereafter, the needed facilities will be determined and an estimated cost will be assigned. The cost of the facilities will then be compared to the area of residential, commercial and industrial development to determine the amount of developer fees justified.

Enrollment and Impacts

In 2023/2024 the District's total enrollment (CBEDS) was 38,488 students. The enrollment by grade level is shown here in Table 2.

Table 2
San Juan Unified
CURRENT ENROLLMENT

| Grade | 2023/2024 |
|--------------|------------------|
| TK/K | 3,095 |
| 1 | 2,773 |
| 2 | 2,908 |
| 3 | 2,931 |
| 4 | 2,961 |
| 5 | 2,923 |
| 6 | 2,796 |
| <hr/> | |
| TK-6 Total | 20,387 |
| <hr/> | |
| 7 | 2,899 |
| 8 | 2,937 |
| <hr/> | |
| 7-8 Total | 5,836 |
| <hr/> | |
| 9 | 2,947 |
| 10 | 3,115 |
| 11 | 2,988 |
| 12 | 3,215 |
| <hr/> | |
| 9-12 Total | 12,265 |
| <hr/> | |
| TK-12 Total | 38,488 |

This data will be the basis for the enrollment impacts which will be presented later after a review of the development projections and the student generation factors.

Student Generation Factor

In determining the impact of new development, the District is required to show how many students will be generated from the new developments. In order to ensure that new development is paying only for the impact of those students that are being generated by new homes and businesses, the student generation factor is applied to the number of new housing units to determine development-related impacts.

The same analysis and student generation rate applicable to new development is applicable to replacement residential and commercial development. In determining the impact of replacement development, the District is required to show how many students will be generated from the replacement developments. In order to ensure that replacement development is paying only for the impact of those students that are being generated by homes and businesses replacing other previously existing homes and businesses, the student generation factor is applied to the number of replacement housing units to determine development-related impacts.

The student generation factor identifies the number of students per housing unit and provides a link between residential construction projects and projections of enrollment. The State-wide factor used by the Office of Public School Construction is 0.70 for grades TK-12. For the purposes of this Study we will use the local factors to determine the students generated from new housing developments. This was done by comparing the number of housing units in the school district to the number of students in the school district as of the 2020 Census. Table 3 shows the student generation factors for the various grade groupings.

Table 3
San Juan Unified
STUDENT GENERATION FACTORS

| <u>Grades</u> | <u>Students per Household</u> |
|---------------|-------------------------------|
| TK-6 | 0.14605 |
| 7-8 | 0.04344 |
| 9-12 | 0.08909 |
| Total | 0.27858 |



When using the Census data to determine the average district student yield rate, it is not possible to determine which students were living in multi-family units versus single family units. Therefore, only the total average yield rate is shown. The Census data does indicate that **57.6%** of the total housing units within the district boundaries are single family units. It is reasonable to assume that the construction of new housing units would be similar to the current housing stock, which was confirmed by the various planning departments within the school district boundaries, and therefore the overall student generation rate will be used to determine student yields from the projected developments.

New Residential Development Impacts

The San Juan Unified School District has experienced an average new residential construction rate of approximately 189 units per year over the past four years. This was determined by reviewing the residential permits pulled and school development impact fees paid to the District. After contacting each of the planning departments within the school district boundaries, it was determined that the residential construction rate over the next five years will average 189 units per year. Projecting the average rate forward, we would expect that 945 units of residential housing will be built within the District boundaries over the next five years as shown here:

| New Development Housing Projections | |
|--|-------------------|
| <u>Planning Area</u> | <u># of Units</u> |
| City of Citrus Heights | 615 |
| Sacramento County | 330 |
| Total | 945 |

To determine the impact of residential development, a student projection is done. Applying the student generation factor of 0.2786 to the projected 945 units of residential housing, we expect that 263 students will be generated from the new residential construction over the next five years. This includes 138 elementary school students, 41 middle school students, and 84 high school students.

The following table shows the projected impact of new development. The students generated by development will be utilized to determine the facility cost impacts to the school district.

Table 4
San Juan Unified
DEVELOPMENT IMPACT ANALYSIS

| <u>Grades</u> | <u>Generation Rate</u> | <u>Students Generated</u> |
|---------------|------------------------|---------------------------|
| TK to 6 | 0.1460 | 138 |
| 7 to 8 | 0.0434 | 41 |
| 9 to 12 | 0.0891 | 84 |
| <hr/> | | |
| Totals | 0.2786 | 263 |

Existing Facility Capacity

To determine the need for additional school facilities, the capacity of the existing facilities must be identified and compared to current and anticipated enrollments. The District's existing building capacity will be calculated using the State classroom loading standards shown in Table 6. The following types of "support-spaces" necessary for the conduct of the District's comprehensive educational program, are not included as "teaching stations," commonly known as "classrooms" to the public:

Table 5
List of Core and Support Facilities

| | |
|-------------------|---------------------|
| Library | Resource Specialist |
| Multipurpose Room | Gymnasium |
| Office Area | Lunch Room |
| Staff Workroom | P.E. Facilities |

Because the District requires these types of support facilities as part of its existing facility and curriculum standards at its schools, new development's impact must not materially or adversely affect the continuance of these standards. Therefore, new development cannot require that the District house students in these integral support spaces.

Classroom Loading Standards

The following maximum classroom loading-factors are used to determine teaching-station "capacity," in accordance with the State legislation and the State School Building Program. These

capacity calculations are also used in preparing and filing the baseline school capacity statement with the Office of Public School Construction.

Table 6
State Classroom Loading Standards

| | |
|--|-----------------------|
| TK/Kindergarten | 25 Students/Classroom |
| 1 st -3 rd Grades | 25 Students/Classroom |
| 4 th -6 th Grades | 25 Students/Classroom |
| 7 th -8 th Grades | 27 Students/Classroom |
| 9 th -12 th Grades | 27 Students/Classroom |

Existing Facility Capacity

The State determines the baseline capacity by either loading all permanent teaching stations plus a maximum number of portables equal to 25% of the number of permanent classrooms or by loading all permanent classrooms and only portables that are owned or have been leased for over 5 years. As allowed by law and required by the State, facility capacities are calculated by identifying the number of teaching stations at each campus. All qualified teaching stations were included in the calculation of the capacities at the time the initial inventory was calculated. To account for activity and changes since the baseline was established in 1998/99, the student grants (which represent the seats added either by new schools or additions to existing schools) for new construction projects funded by OPSC have been added. Using these guidelines the District's current State calculated capacity is shown in Table 7.

Table 7
San Juan Unified
Summary of Existing Facility Capacity

| <u>School Facility</u> | Total District <u>Capacity</u> |
|------------------------|--------------------------------------|
| Grades TK-6 | 22,678 |
| Grades 7-8 | 6,263 |
| Grades 9-12 | 13,227 |
| Totals | 42,168 |

The District has not participated in the State Building Program for any new construction projects and therefore has not established a State capacity as of this time. The State capacity can sometimes be lower than the District capacity as the State capacity limits the number of portable classrooms that are counted towards the total capacity.

As Table 7 shows, the total District capacity of the District facilities is 42,168 students.

Unhoused Students by State Housing Standards

This next table compares the facility capacity with the space needed to determine if there is available space for new students from the projected developments. The space needed was determined by reviewing the historic enrollments over the past four years along with the projected enrollment in five years to determine the number of seats needed to house the students within the existing homes. The seats needed were determined individually for each grade grouping. The projected enrollment in the space needed analysis did not include the impact of any new housing units.

Table 8
San Juan Unified
Summary of Available District Capacity

| <u>School Facility</u> | <u>District Capacity</u> | <u>Space Needed</u> | <u>Available Capacity</u> |
|------------------------|--------------------------|---------------------|---------------------------|
| Grades TK-6 | 22,678 | 21,752 | 926 |
| Grades 7-8 | 6,263 | 6,031 | 232 |
| Grades 9-12 | 13,227 | 12,640 | 587 |
| Totals | 42,168 | 40,423 | 1,745 |

The District capacity of 42,168 is more than the space needed of 40,423, assuming the existing facilities remain in sufficient condition to maintain existing levels of service. The difference is 1,745 students.

Calculation of Development's Fiscal Impact on Schools

This section of the Study will demonstrate that a reasonable relationship exists between residential, commercial/industrial development and the need for school facilities in the San Juan Unified School District. To the extent this relationship exists, the District is justified in levying developer fees as authorized by Education Code Section 17620.

New Construction Costs

The available capacity on the previous page indicates that additional new school facilities are not needed. Therefore, the costs for new schools or new classrooms at existing schools are not included in the study. However, it is possible that development in a specific area can exceed the capacity of the neighborhood school. In this instance the district may decide to build new facilities instead of housing students in a school that is farther away. In this case, the use of the fees is still justified as the students generated by the new development are being housed in new facilities which directly benefits the students from new development.

Reconstruction/Modernization Costs

In addition to any new facilities needed, there is also a need to reconstruct or modernize existing facilities in order to maintain the existing levels of service as students from new development continue to arrive in the District's facilities. In order to generate capacity, it may also be necessary to reopen closed school facilities. Such reopening often requires reconstruction in order to provide the District's existing level of service. For purposes of this report, the analysis of modernization/reconstruction includes the possible reopening and refurbishing of closed or unused school facilities.

California has made a significant investment in school facilities through grants provided to help extend the useful life of public schools. The State's largest funding source for public school modernization projects, the School Facilities Program (SFP), requires a minimum local funding contribution of 40% of SFP-eligible costs. The State may provide up to 60% of the eligible costs at those times that State funding is available. However, SFP modernization grants frequently, if not usually, fall short of providing 60% of the actual costs for major modernizations. In the best cases, developer fees can help meet the District's required 40% local share. In many cases, developer fees may be necessary to supplement both the State's and the school district's contribution to a project.

Buildings generate eligibility for State reconstruction/modernization funding once they reach an age of 25 years old for permanent buildings and 20 years old for portables. The usable life of school facilities is an important consideration in determining district facility needs into the future. The specific time when the projected residential developments will be built cannot be precisely predicted. Some new homes may be immediately occupied by families with school aged children, while others may be immediately occupied who will have school-aged children in five to ten years. As a result of these variables, for each new home, the District must be prepared to house the students

residing there for an extended period of time. Students generated by the next five years of development will need to be accommodated in District schools for a significant amount of time that could exceed twenty years. Thus, the District will need to ensure that it has facilities in place for future decades.

As evidenced by the State Building program's use of the criteria that buildings older than twenty-five years (and portables older than twenty years) are eligible for modernization funds, school buildings require reconstruction/modernization to remain in use for students beyond the initial twenty to twenty-five years of life of those buildings. To the extent that the District has buildings older than twenty to twenty-five years old, the point will be reached without reconstruction/modernization that those buildings will no longer be able to provide the existing level of service to students, and may, in some circumstances, need to be closed entirely for health and safety reasons. However, because of the new development, reconstruction/modernization must occur in order to have available school housing for the students generated from development.

The following table shows the District's eligibility for modernization/reconstruction funding in the State Building Program.

Table 9

Modernization Project Needs

| <u>School</u> | <u>Eligible Modernization Grants</u> | | | | <u>State Funding</u> | <u>District Share</u> | <u>Project Total</u> |
|----------------------------|--------------------------------------|---------------|-------------|----------------|----------------------|-----------------------|----------------------|
| | <u>Elem</u> | <u>Middle</u> | <u>High</u> | <u>Spec Ed</u> | | | |
| Del Paso Manor | 90 | 0 | 0 | 0 | \$639,068 | \$426,046 | \$1,065,113 |
| Dyer Kelly | 410 | 0 | 0 | 0 | \$2,615,862 | \$1,743,908 | \$4,359,769 |
| Grand Oaks | 100 | 0 | 0 | 0 | \$710,075 | \$473,383 | \$1,183,458 |
| Greer | 395 | 0 | 0 | 0 | \$2,520,159 | \$1,680,106 | \$4,200,265 |
| Kenneth | 383 | 0 | 0 | 0 | \$2,443,597 | \$1,629,065 | \$4,072,662 |
| Leggette | 675 | 0 | 0 | 0 | \$4,306,601 | \$2,871,068 | \$7,177,669 |
| Lichen | 330 | 0 | 0 | 0 | \$2,105,450 | \$1,403,634 | \$3,509,083 |
| Mariposa | 150 | 0 | 0 | 0 | \$993,053 | \$662,036 | \$1,655,088 |
| Northridge | 111 | 0 | 0 | 0 | \$734,859 | \$489,906 | \$1,224,765 |
| Sierra Oaks | 100 | 0 | 0 | 0 | \$710,075 | \$473,383 | \$1,183,458 |
| Starr King | 634 | 172 | 0 | 0 | \$5,203,521 | \$3,469,014 | \$8,672,535 |
| Sunrise | 100 | 0 | 0 | 0 | \$710,075 | \$473,383 | \$1,183,458 |
| Andrew Carnegie Middle | 0 | 103 | 0 | 0 | \$719,919 | \$479,946 | \$1,199,864 |
| Arden Middle | 0 | 830 | 0 | 0 | \$5,590,465 | \$3,726,977 | \$9,317,442 |
| Barrett Middle | 0 | 672 | 0 | 0 | \$4,526,256 | \$3,017,504 | \$7,543,760 |
| Sylvan Middle | 0 | 505 | 0 | 0 | \$3,401,428 | \$2,267,619 | \$5,669,046 |
| Casa Roble High | 0 | 0 | 275 | 0 | \$2,408,849 | \$1,605,899 | \$4,014,748 |
| Del Campo High | 0 | 0 | 185 | 0 | \$1,682,029 | \$1,121,353 | \$2,803,382 |
| El Camino Fundamental High | 0 | 0 | 1197 | 0 | \$10,485,062 | \$6,990,041 | \$17,475,103 |
| Mira Loma High | 0 | 0 | 835 | 0 | \$7,314,141 | \$4,876,094 | \$12,190,235 |
| Rio Americano High | 0 | 0 | 55 | 0 | \$536,649 | \$357,766 | \$894,415 |
| San Juan High | 0 | 0 | 605 | 0 | \$5,299,467 | \$3,532,978 | \$8,832,445 |
| TOTALS | 3478 | 2282 | 3152 | 0 | \$65,656,657 | \$43,771,106 | \$109,427,763 |

The District prepared a Facility Master Plan in 2014 that identified \$554,508,067 in “Facility Condition Improvement Projects” plus an additional \$837,574,311 in “Master Plan Improvement Projects”. The grand total facility needs identified were in excess of \$2.4 billion. The identified facility needs exceed the eligibility for modernization projects in the State Building Program.

Table 10

New Development Share of Modernization Costs

| <u>Grade</u> | <u>Eligible Modernization</u> | <u>New Development Impacts</u> | | |
|---------------|-----------------------------------|--------------------------------|-------------------|--------------------|
| | <u>Grants</u> | <u>Students</u> | <u>\$/Student</u> | <u>Amount</u> |
| TK-6 | 3,478 | 138 | \$32,106 | \$4,430,628 |
| 7-8 | 2,282 | 41 | \$34,038 | \$1,395,558 |
| 9-12 | 3,152 | 84 | \$43,184 | \$3,627,456 |
| Totals | 8,912 | 263 | | \$9,453,642 |

Includes students from new developments not housed in new facilities.

Amounts based on State OPSC allowances for new construction projects.

This data is used to show that there are significant needs within the school District to invest in its existing facilities. Without modernizing its schools, the District could be forced to begin closing some of its buildings and schools.

To accurately account for the amount of the modernization projects attributed to the impact of new developments, only the students from new developments that were not already housed in new facilities are included in the net needs for modernization projects. As can be seen in the charts, the net modernization needs due to new development impacts are much less than the total District modernization needs.

Impact of New Residential Development

This next table compares the development-related enrollment to the available district capacity for each grade level and then multiplies the unhoused students by the new school construction costs to determine the total school facility costs related to the impact of new residential housing developments.

The modernization needs are included for the students not housed in new facilities but who would be housed in existing facilities that are eligible for and need to be modernized to provide adequate housing and to maintain the existing level of service for the students generated by development.

Table 11

**San Juan Unified
Summary of Residential Impact**

| <u>School Facility</u> | <u>Students Generated</u> | <u>Available Space</u> | <u>Net Unhoused</u> | <u>Construction Cost Per Student</u> | <u>Total Facility Costs</u> |
|---|---------------------------|------------------------|---------------------|--------------------------------------|-----------------------------|
| Elementary | 138 | 926 | 0 | \$32,106 | \$0 |
| Middle | 41 | 232 | 0 | \$34,038 | \$0 |
| High & Cont. | 84 | 587 | 0 | \$43,184 | \$0 |
| Site Purchase: 0.0 acres | | | | | \$0 |
| Site Development: | | | | | \$0 |
| New Construction needs due to development: | | | | | \$0 |
| Modernization needs due to development: | | | | | \$9,453,642 |
| TOTAL DEVELOPMENT IMPACT: | | | | | \$9,453,642 |
| Average cost per student: | | | | | \$35,945 |
| Total Residential Sq Ft: | | | | | 1,781,325 |
| Residential Fee Justified: | | | | | \$5.31 |

The total need for school facilities based solely on the impact of the 945 new housing units projected over the next five years totals \$9,453,642. To determine the impact per square foot of residential development, this amount is divided by the total square feet of the projected developments. As calculated from the historic Developer Fee Permits, the average size home built has averaged 1,885 square feet. The total area for 945 new homes would therefore be 1,781,325 square feet. The total residential fee needed to be able to collect \$9,453,642 would be **\$5.31** per square foot.

Impact of Other Residential Development

In addition to new residential development projects that typically include new single family homes and new multi-family units, the District can also be impacted by additional types of new development projects. These include but are not limited to redevelopment projects, additions to existing housing units, and replacement of existing housing units with new housing units.

These development projects are still residential projects and therefore it is reasonable to assume they would have the same monetary impacts per square foot as the new residential development projects. However, the net impact is reduced due to the fact that there was a previous residential building in its place. Therefore, the development impact fees should only be charged for other residential developments if the new building(s) exceed the square footage area of the previous building(s). If the new building is larger than the existing building, then it is reasonable to assume that additional students could be generated by the project. The project would only pay for the development impact fees for the net increase in assessable space generated by the development project. Education Code allows for an exemption from development impacts fees for any additions to existing residential structures that are 500 square feet or less.

Pursuant to the above, in situations where there is no increase in square footage of the replacement development, if student yield rates of the replacement development are equal to or less than the student yield rates of the preexisting development, then there are no additional students and therefore no fee may be charged on the replacement development. In contrast, if one or more of the student yield rates of the replacement development is greater than the student yield rates of the preexisting development, then there are additional students and cost impacts, and therefore a fee may be charged on the replacement development.

Impact of Commercial/Industrial Development

There is a correlation between the growth of commercial/industrial firms/facilities within a community and the generation of school students within most business service areas. Fees for commercial/industrial can only be imposed if the residential fees will not fully mitigate the cost of providing school facilities to students from new development.

The approach utilized in this section is to apply statutory standards, U.S. Census employment statistics, and local statistics to determine the impact of future commercial/industrial development projects on the District. Many of the factors used in this analysis were taken from the U.S. Census, which remains the most complete and authoritative source of information on the community in addition to the “1990 SanDAG Traffic Generators Report”.

Employees per Square Foot of Commercial Development

Results from a survey published by the San Diego Association of Governments “1990 San DAG Traffic Generators” are used to establish numbers of employees per square foot of building area to be

anticipated in new commercial or industrial development projects. The average number of workers per 1,000 square feet of area ranges from 0.06 for Rental Self Storage to 4.79 for Standard Commercial Offices. The generation factors from that report are shown in the following table.

Table 12

| Commercial/Industrial Category | Average Square Foot Per Employee | Employees Per Average Square Foot |
|-----------------------------------|----------------------------------|-----------------------------------|
| Banks | 354 | 0.00283 |
| Community Shopping Centers | 652 | 0.00153 |
| Neighborhood Shopping Centers | 369 | 0.00271 |
| Industrial Business Parks | 284 | 0.00352 |
| Industrial Parks | 742 | 0.00135 |
| Rental Self Storage | 15541 | 0.00006 |
| Scientific Research & Development | 329 | 0.00304 |
| Lodging | 882 | 0.00113 |
| Standard Commercial Office | 209 | 0.00479 |
| Large High Rise Commercial Office | 232 | 0.00431 |
| Corporate Offices | 372 | 0.00269 |
| Medical Offices | 234 | 0.00427 |

Source: 1990 SanDAG Traffic Generators report

Students per Employee

The number of students per employee is determined by using the S0802: Means of Transportation to Work by Selected Characteristics 2018-2022 American Community Survey 5-Year Estimates and DP1: Profile of General Population and Housing Characteristics 2020: DEC Demographic Profile for the District. There were 162,451 employees and 141,593 homes in the District. This represents a ratio of 1.1473 employees per home.

There were 39,445 school age children attending the District in 2020. This is a ratio of 0.2428 students per employee. This ratio, however, must be reduced by including only the percentage of employees that worked in their community of residence (35.5%), because only those employees living in the District will impact the District's school facilities with their children. The net ratio of students per employee in the District is 0.0862.

School Facilities Cost per Student

Facility costs for housing commercially generated students are the same as those used for residential construction. The cost factors used to assess the impact from commercial development projects are contained in Table 11.

Residential Offset

When additional employees are generated in the District as a result of new or replacement commercial/industrial development, fees will also be charged on the residential units necessary to provide housing for the employees living in the District. To prevent a commercial or industrial development from paying for the portion of the impact that will be covered by the residential fee, this amount has been calculated and deducted from each category. The residential offset amount is calculated by multiplying the following factors together and dividing by 1,000 (to convert from cost per 1,000 square feet to cost per square foot).

- Employees per 1,000 square feet (varies from a low of 0.06 for rental self storage to a high of 4.79 for office building).
- Percentage of employees that worked in their community of residence (35.5 percent).
- Housing units per employee (0.8716). This was derived from the 2018-2022 ACS 5 Year Estimates and DP1 data for the District, which indicates there were 141,593 housing units and 162,451 employees.
- Percentage of employees that will occupy new housing units (75 percent).
- Average square feet per dwelling unit (1,885).
- Residential fee charged by the District (\$5.17 per square foot).
- Average cost per student was determined in Table 11.

The following table shows the calculation of the school facility costs generated by a square foot of new commercial/industrial development for each category of development.

Table 13

| San Juan Unified Summary of Commercial and Industrial Uses | | | | | | | |
|---|-----------------------------------|-----------------------------|----------------------------------|--------------------------------|------------------------|--------------------------------------|----------------------------|
| Type | Employees per 1,000 Sq. Ft. | Students per Employee | Students per 1,000 Sq. Ft. | Average Cost per Student | Cost per Sq. Ft. | Residential offset per Sq. Ft. | Net Cost per Sq. Ft. |
| Banks | 2.83 | 0.0862 | 0.244 | \$35,945 | \$8.77 | \$6.40 | \$2.37 |
| Community Shopping Centers | 1.53 | 0.0862 | 0.132 | \$35,945 | \$4.74 | \$3.46 | \$1.28 |
| Neighborhood Shopping Centers | 2.71 | 0.0862 | 0.234 | \$35,945 | \$8.40 | \$6.13 | \$2.27 |
| Industrial Business Parks | 3.52 | 0.0862 | 0.303 | \$35,945 | \$10.91 | \$7.96 | \$2.95 |
| Industrial Parks | 1.35 | 0.0862 | 0.116 | \$35,945 | \$4.18 | \$3.05 | \$1.13 |
| Rental Self Storage | 0.06 | 0.0862 | 0.005 | \$35,945 | \$0.19 | \$0.14 | \$0.05 |
| Scientific Research & Development | 3.04 | 0.0862 | 0.262 | \$35,945 | \$9.42 | \$6.88 | \$2.54 |
| Lodging | 1.13 | 0.0862 | 0.097 | \$35,945 | \$3.50 | \$2.56 | \$0.94 |
| Standard Commercial Office | 4.79 | 0.0862 | 0.413 | \$35,945 | \$14.84 | \$10.83 | \$4.01 |
| Large High Rise Commercial Office | 4.31 | 0.0862 | 0.372 | \$35,945 | \$13.35 | \$9.75 | \$3.60 |
| Corporate Offices | 2.69 | 0.0862 | 0.232 | \$35,945 | \$8.33 | \$6.08 | \$2.25 |
| Medical Offices | 4.27 | 0.0862 | 0.368 | \$35,945 | \$13.23 | \$9.66 | \$3.57 |

*Based on 1990 SanDAG Traffic Generator Report

Net Cost per Square Foot

Since the State Maximum Fee is now \$0.84 for commercial/industrial construction, the District is justified in collecting the maximum fee for all categories with the exception of Rental Self Storage. The District can only justify collection of \$0.05 per square foot of Rental Self Storage construction.

Impact of Replacement/Reconstruction Projects

This section provides clarification for the process of charging fees for projects that consist of replacement of existing structures with new buildings.

Residential to Residential: When a residential building is replaced with a residential building, the regulations state that the school impact fees will only be charged for the net increase in area if the net increase is greater than 500 square feet.

Commercial to Commercial: When a commercial building is replaced with a commercial building, the impact fees charged will be for the net increase in building area and when such increase is linked to an increase in students generated by the replacement development compared to the preexisting development. Fees may also be charged when there is no net increase in building area but there is an increase in the students to be generated by the replacement development when compared to the preexisting development. In order for the new building to get credit for the area of the existing building to be demolished, it needs to be in existence when the building permit for the replacement building is issued.

Table 13 illustrates the students generated per 1,000 square feet by the various types of commercial developments. When one type of development is being replaced by a type that generates more students, then there is an increase in students generated that results in the justification of development fees for the projects impact on schools. By comparing the net cost impacts between the two types of construction as shown in the table, then the difference between the two rates is the net increase in impact. That amount would be the fee that would be charged for commercial replacement projects with a not to exceed amount of \$0.84 which is the current maximum commercial rate.

Commercial to Residential: When a commercial building is replaced with residential construction, the school impact fees should be an amount equal to the difference between the current residential and current commercial rates for up to the total area of the existing commercial building(s). Any construction area that exceeds the area of the existing buildings will be subject to the standard

residential fees. This process gives a credit for the school impacts of the commercial buildings. The net school impact fees paid will address the increased impact of residential construction as compared to commercial construction. The net charge for conversion of commercial space to residential space is $\$5.17$ (residential) - $\$0.84$ (commercial) = $\$4.33$ per square foot. This same impact fee process is charged when senior housing complexes (which are charged commercial rates) are converted to standard residential units.

Residential to Commercial: When a residential building is replaced with a commercial building, no impact fees may be charged unless the students generated by the replacement development is shown to be greater than the preexisting development. In order for the new building to get credit for the area of the existing building to be demolished, it needs to be in existence when the building permit for the replacement building is issued

Each of these specific situations result in the collection of development impact fees in order to address the net increase in impacts on school district facilities as a result of the development project. The methodology the District would use to justify the imposition of fees on replacement developments is illustrated in Appendix F to this Study. Where replacement projects do not fall into any of the categories identified in this Study, those projects will be evaluated on a case-by-case basis.

Verifying the Sufficiency of the Development Impact

Education Code Section 17620 requires districts to find that fee revenues will not exceed the cost of providing school facilities to the students generated by the development paying the fees. This section shows that the fee revenues do not exceed the impact of the new development.

The total need for school facilities resulting from new development totals \$9,453,642. The amount the District would collect over the five year period at the maximum rate of \$5.17 for residential and \$0.84 for commercial/industrial development would be as follows:

$\$5.17 \times 945 \text{ homes} \times 1,885 \text{ sq ft per home} = \$9,209,450$ for Residential

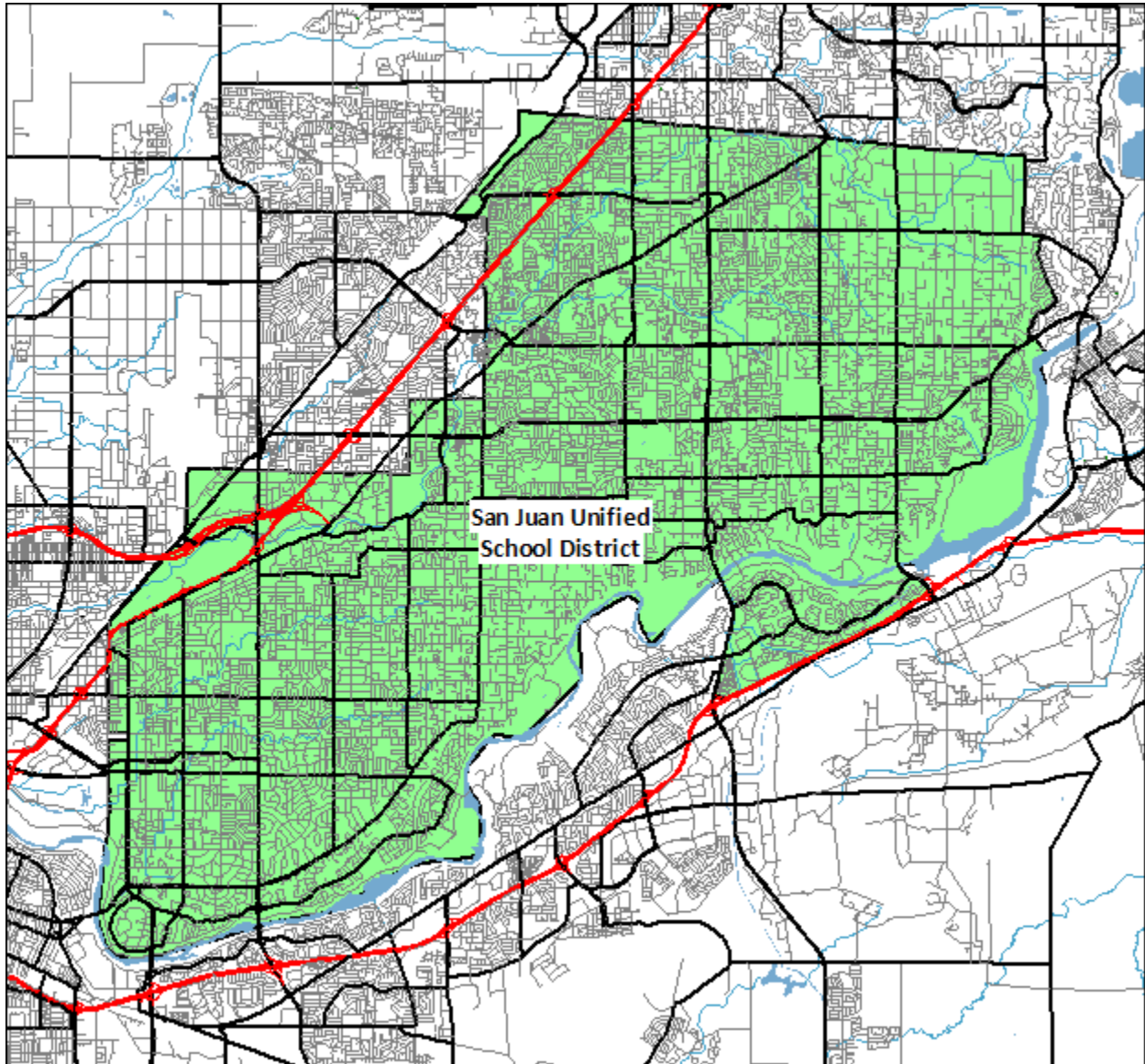
$\$0.84 \times 50,000 \text{ sq ft per year} \times 5 \text{ years} = \$210,000$ for Commercial/Industrial

Total projected 5 year income: \$9,419,450

The estimated income is less than the projected facility needs due to the impact of new development projects.

District Map

The following map shows the extent of the areas for which development fees are applicable to the San Juan Unified School District.



Conclusion

Based on the data contained in this Study, it is found that a reasonable relationship exists between residential, commercial/industrial development and the need for school facilities in the San Juan Unified School District. The following three nexus tests required to show justification for levying fees have been met:

Burden Nexus: New and replacement residential development will generate an average of 0.2786 TK-12 grade students per unit. Because the District does not have adequate facilities for all the students generated by new developments, the District will need to build additional facilities and/or modernize/reconstruct the existing facilities in order to maintain the existing level of services in which the new students will be housed.

Cost Nexus: The cost to provide new and reconstructed facilities is an average of \$5.31 per square foot of residential development. Each square foot of residential development will generate \$5.17 in developer fees resulting in a shortfall of \$0.14 per square foot.

Benefit Nexus: The developer fees to be collected by the San Juan Unified School District will be used for the provision of new and reconstructed or modernized school facilities. This will benefit the students to be generated by new and replacement development by providing them with adequate educational school facilities.

The District's planned use of the fees received from development impacts will include the following types of projects, each of which will benefit students from new developments.

- 1) **New Schools:** When there is enough development activity occurring in a single area, the District will build a new school to house the students from new developments.
- 2) **Additions to Existing Schools:** When infill development occurs, the District will accommodate students at existing schools by building needed classrooms and/or support facilities such as cafeterias, restrooms, gyms and libraries as needed to increase the school capacity. Schools may also need upgrades of the technology and tele-communication systems to be able to increase their capacity.

- 3) Portable Replacement Projects: Some of the District's capacity is in portables and therefore may not be included in the State's capacity calculations. These portables can be replaced with new permanent or modular classrooms to provide adequate space for students from new developments. These projects result in an increase to the facility capacity according to State standards. In addition, old portables that have reached the end of their life expectancy, will need to be replaced to maintain the existing level of service. These types of projects are considered modernization projects in the State Building Program. If development impacts did not exist, the old portables could be removed.
- 4) Modernization/Upgrade Projects: In many cases, students from new developments are not located in areas where new schools are planned to be built. The District plans to modernize or upgrade older schools to be equivalent to new schools so students will be housed in equitable facilities to those students housed in new schools. These projects may include updates to the building structures to meet current building standards, along with upgrades to the current fire and safety standards and any access compliance standards.

The District plans to use the developer fees on the projects in their Facility Master Plan that in 2014 identified \$554,508,067 in "Facility Condition Improvement Projects" plus an additional \$837,574,311 in "Master Plan Improvement Projects". The grand total facility needs identified were in excess of \$2.4 billion.

The reasonable relationship identified by these findings provides the required justification for the San Juan Unified School District to levy the maximum fees of **\$5.17** per square foot for residential construction and **\$0.84** per square foot for commercial/industrial construction, except for Rental Self Storage facilities in which a fee of **\$0.05** per square foot is justified as authorized by Education Code Section 17620.

Appendices

2024 Developer Fee Justification Study

San Juan Unified School District

PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS



Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

| San Juan Unified School District, California | | |
|--|---------|---------|
| Label | Count | Percent |
| > SEX AND AGE | | |
| > MEDIAN AGE BY SEX | | |
| > RACE | | |
| > TOTAL RACES TALLIED [1] | | |
| > HISPANIC OR LATINO | | |
| > HISPANIC OR LATINO BY RACE | | |
| > RELATIONSHIP | | |
| > HOUSEHOLDS BY TYPE | | |
| ✓ HOUSING OCCUPANCY | | |
| ✓ Total housing units | 147,528 | 100.0% |
| Occupied housing units | 141,593 | 96.0% |
| ✓ Vacant housing units | 5,935 | 4.0% |
| For rent | 2,808 | 1.9% |
| Rented, not occupied | 179 | 0.1% |
| For sale only | 818 | 0.6% |
| Sold, not occupied | 297 | 0.2% |
| For seasonal, recreational, or | 410 | 0.3% |
| All other vacants | 1,423 | 1.0% |
| ✓ VACANCY RATES | | |
| Homeowner vacancy rate (percent) | 1.0 | (X) |
| Rental vacancy rate (percent) [5] | 4.3 | (X) |
| ✓ HOUSING TENURE | | |
| ✓ Occupied housing units | 141,593 | 100.0% |
| Owner-occupied housing units | 79,132 | 55.9% |
| Renter-occupied housing units | 62,461 | 44.1% |

Table Notes

PROFILE OF GENERAL POPULATION AND HOUSING CHARACTERISTICS

Survey/Program: Decennial Census

Year: 2020

Table ID: DP1

Note: For information on data collection, confidentiality protection, nonsampling error, subject definitions, and guidance on using the data, visit the 2020 Census Demographic and Housing Characteristics File (DHC) Technical Documentation webpage.

To protect respondent confidentiality, data have undergone disclosure avoidance methods which add "statistical noise" - small, random additions or subtractions - to the data so that no one can reliably link the published data to a specific person or household. The Census Bureau encourages data users to aggregate small populations and geographies to improve accuracy and diminish implausible results.

An "(X)" means not applicable.

An "-" means the statistic could not be computed because there were an insufficient number of observations.

[1] The alone or in combination categories are tallies of responses rather than respondents. That is, the alone or in combination categories are not mutually exclusive. Individuals who reported two races were counted in two separate and distinct alone or in combination race categories, while those who reported three races were counted in three categories, and so on. For example, a respondent who indicated "White

and Black or African American" was counted in the White alone or in combination category as well as in the Black or African American alone or in combination category. Consequently, the sum of all alone or in combination categories equals the number of races reported (i.e., responses), which exceeds the total population.

[2] "Child" includes biological, adopted, and stepchildren of the householder.

[3] "Own children" includes biological, adopted, and stepchildren of the householder.

[4] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[5] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant unit "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2020 Census Demographic Profile

Selected Housing Characteristics

Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

| San Juan Unified School District, California | | | | |
|--|----------|-----------------|---------|-----------------------|
| Label | Estimate | Margin of Error | Percent | Percent Margin of Err |
| ▼ HOUSING OCCUPANCY | | | | |
| ▼ Total housing units | 145,936 | ±1,509 | 145,936 | (|
| Occupied housing units | 139,201 | ±1,577 | 95.4% | ±C |
| Vacant housing units | 6,735 | ±707 | 4.6% | ±C |
| Homeowner vacancy rate | 1.0 | ±0.4 | (X) | (|
| Rental vacancy rate | 4.4 | ±0.8 | (X) | (|
| ▼ UNITS IN STRUCTURE | | | | |
| ▼ Total housing units | 145,936 | ±1,509 | 145,936 | (|
| 1-unit, detached | 84,100 | ±1,351 | 57.6% | ±C |
| 1-unit, attached | 12,152 | ±972 | 8.3% | ±C |
| 2 units | 3,040 | ±468 | 2.1% | ±C |
| 3 or 4 units | 9,093 | ±845 | 6.2% | ±C |
| 5 to 9 units | 10,633 | ±899 | 7.3% | ±C |
| 10 to 19 units | 5,608 | ±575 | 3.8% | ±C |
| 20 or more units | 18,101 | ±869 | 12.4% | ±C |
| Mobile home | 3,052 | ±391 | 2.1% | ±C |
| Boat, RV, van, etc. | 157 | ±70 | 0.1% | ±(|
| ▼ YEAR STRUCTURE BUILT | | | | |
| ▼ Total housing units | 145,936 | ±1,509 | 145,936 | (|

Table Notes

Selected Housing Characteristics

Survey/Program: American Community Survey

Year: 2022

Estimates: 5-Year

Table ID: DP04

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, the decennial census is the official source of population totals for April 1st of each decennial year. In between censuses, the Census Bureau's Population Estimates Program produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Information about the American Community Survey (ACS) can be found on the ACS website. Supporting documentation including code lists, subject definitions, data accuracy, and statistical testing, and a full list of ACS tables and table shells (without estimates) can be found on the Technical Documentation section of the ACS website.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the [Methodology](#) section.

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection of this question that occurred in 2019. Both ACS 1-year and ACS 5-year files were affected and may take several years in the ACS 5-year files until the estimates are available for the geographic areas affected.

The 2018-2022 American Community Survey (ACS) data generally reflect the March 2020 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances, the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineation lists due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on 2020 Census data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

-

The estimate could not be computed because there were an insufficient number of sample observations. For a ratio of medians estimate, one or both of the median estimates falls in the lowest interquartile interval of an open-ended distribution. For a 5-year median estimate, the margin of error associated with a median was larger than the median itself.

The estimate or margin of error cannot be displayed because there were an insufficient number of sample cases in the selected geographic area.

(X)

The estimate or margin of error is not applicable or not available.

median-

The median falls in the lowest interval of an open-ended distribution (for example "2,500-")

median+

The median falls in the highest interval of an open-ended distribution (for example "250,000+").

**

The margin of error could not be computed because there were an insufficient number of sample observations.

The margin of error could not be computed because the median falls in the lowest interval or highest interval of an open-ended distribution.

A margin of error is not appropriate because the corresponding estimate is controlled to an independent population or housing estimate. Effectively, the corresponding estimate has no sampling error and the margin of error may be treated as zero.

Means of Transportation to Work by Selected Characteristics



Note: This is a modified view of the original table produced by the U.S. Census Bureau. This download or printed version may have missing information from the original table.

| San Juan Unified School District, California | | Car, tru |
|---|----------|-----------------|
| Total | | |
| Label | Estimate | Margin of Error |
| > Workers 16 years and over | 162,451 | ±3,107 |
| > EARNINGS IN THE PAST 12 MONTHS (IN 2022 INFLATION-ADJUSTED DOLLARS) FOR WORKERS | | |
| > POVERTY STATUS IN THE PAST 12 MONTHS | | |
| > Workers 16 years and over | 162,451 | ±3,107 |
| > Workers 16 years and over who did not work from home | 137,318 | ±2,883 |
| > TIME OF DEPARTURE TO GO TO WORK | | |
| > TRAVEL TIME TO WORK | | |
| Less than 10 minutes | 8.7% | ±0.6 |
| 10 to 14 minutes | 10.7% | ±0.7 |
| 15 to 19 minutes | 16.1% | ±0.9 |
| 20 to 24 minutes | 18.7% | ±0.9 |
| 25 to 29 minutes | 8.3% | ±0.6 |
| 30 to 34 minutes | 17.9% | ±0.8 |
| 35 to 44 minutes | 6.9% | ±0.5 |
| 45 to 59 minutes | 5.9% | ±0.5 |
| 60 or more minutes | 7.0% | ±0.6 |
| Mean travel time to work (minutes) | 27.0 | ±0.6 |
| > Workers 16 years and over in households | 162,112 | ±3,078 |

Table Notes

Means of Transportation to Work by Selected Characteristics

Survey/Program: American Community Survey

Year: 2022

Estimates: 5-Year

Table ID: S0802

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, the decennial census is the official source of population totals for April 1st of each decennial year. In between censuses, the Census Bureau's Population Estimates Program produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

Information about the American Community Survey (ACS) can be found on the ACS website. Supporting documentation including code lists, subject definitions, data accuracy, and statistical testing, and a full list of ACS tables and table shells (without estimates) can be found on the Technical Documentation section of the ACS website.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the [Methodology](#) section.

Source: U.S. Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see ACS Technical Documentation). The effect of nonsampling error is not represented in these tables.

Foreign born excludes people born outside the United States to a parent who is a U.S. citizen.

Workers include members of the Armed Forces and civilians who were at work last week.

Industry titles and their 4-digit codes are based on the 2017 North American Industry Classification System. The industry categories adhere to the guidelines issued in Clarification Memorandum No. "NAICS Alternate Aggregation Structure for Use By U.S. Statistical Agencies," issued by the Office of Management and Budget.

Occupation titles and their 4-digit codes are based on the 2018 Standard Occupational Classification.

When information is missing or inconsistent, the Census Bureau logically assigns an acceptable value using the response to a related question or questions. If a logical assignment is not possible, data are filled using a statistical process called allocation, which uses a similar individual or household to provide a donor value. The "Allocated" section is the number of respondents who received an allocated value for a particular subject.

Several means of transportation to work categories were updated in 2019. For more information, see: Change to Means of Transportation.

In 2019, methodological changes were made to the class of worker question. These changes involved modifications to the question wording, the category wording, and the visual format of the categories on the questionnaire. The format for the class of worker categories are now listed under the headings "Private Sector Employee," "Government Employee," and "Self-Employed or Other." Additionally, the category of Active Duty was added as one of the response categories under the "Government Employee" section for the mail questionnaire. For more detailed information about the

2019 changes, see the 2016 American Community Survey Content Test Report for Class of Worker located at http://www.census.gov/library/working-papers/2017/acs/2017_Martinez_01.html.

The 2018-2022 American Community Survey (ACS) data generally reflect the March 2020 Office of Management and Budget (OMB) delineations of metropolitan and micropolitan statistical areas. In certain instances, the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineation lists due to differences in the effective dates of the geographic entities.

Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on 2020 Census data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

- The estimate could not be computed because there were an insufficient number of sample observations. For a ratio of medians estimate, one or both of the median estimates falls in the lowest interval or highest interval of an open-ended distribution. For a 5-year median estimate, the margin of error associated with a median was larger than the median itself.

N

The estimate or margin of error cannot be displayed because there were an insufficient number of sample cases in the selected geographic area.

(X)

The estimate or margin of error is not applicable or not available.

median-

The median falls in the lowest interval of an open-ended distribution (for example "2,500-")

median+

The median falls in the highest interval of an open-ended distribution (for example "250,000+").

**

The margin of error could not be computed because there were an insufficient number of sample observations.

The margin of error could not be computed because the median falls in the lowest interval or highest interval of an open-ended distribution.

A margin of error is not appropriate because the corresponding estimate is controlled to an independent population or housing estimate. Effectively, the corresponding estimate has no sampling error and the margin of error may be treated as zero.

Use of Developer Fees:

A School District can use the revenue collected on residential and commercial/industrial construction for the purposes listed below:

- Purchase or lease of interim school facilities to house students generated by new development pending the construction of permanent facilities.
- Purchase or lease of land for school facilities for such students.
- Acquisition of school facilities for such students, including:
 - Construction
 - Modernization/reconstruction
 - Architectural and engineering costs
 - Permits and plan checking
 - Testing and inspection
 - Furniture, Equipment and Technology for use in school facilities
- Legal and other administrative costs related to the provision of such new facilities
- Administration of the collection of, and justification for, such fees, and
- Any other purpose arising from the process of providing facilities for students generated by new development.

Following is an excerpt from the Education Code that states the valid uses of the Level 1 developer fees. It refers to construction and reconstruction. The term reconstruction was originally used in the Leroy Greene program. The term modernization is currently used in the 1998 State Building Program and represents the same scope of work used in the original reconstruction projects.

Ed Code Section 17620. (a) (1) The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code. This fee, charge, dedication, or other requirement may be applied to construction only as follows: ...

The limitations referred to in this text describe the maximum amounts that can be charged for residential and commercial/industrial projects and any projects that qualify for exemptions. They do not limit the use of the funds received.

Determination of Average State allowed amounts for Site Development Costs

Elementary Schools

| <u>District</u> | <u>Project #</u> | <u>Acres</u> | Original | Inflation | 2009 Adjusted | <u>Project Year</u> | <u>2009 Cost/Acre</u> | |
|------------------------|------------------|---------------|-----------------------|-----------|---------------------|---------------------|-----------------------|--------------------------------------|
| | | | OPSC Site Development | Factor | Site Development | | | |
| Davis Jt Unified | 3 | 9.05 | \$532,282 | 38.4% | \$1,473,469 | 2004 | \$162,814 | |
| Dry Creek Jt Elem | 2 | 8.5 | \$516,347 | 46.2% | \$1,509,322 | 2002 | \$177,567 | |
| Dry Creek Jt Elem | 5 | 11.06 | \$993,868 | 20.1% | \$2,387,568 | 2006 | \$215,874 | |
| Elk Grove Unified | 5 | 12.17 | \$556,011 | 48.2% | \$1,648,316 | 2001 | \$135,441 | |
| Elk Grove Unified | 10 | 11 | \$690,120 | 48.2% | \$2,045,888 | 2001 | \$185,990 | |
| Elk Grove Unified | 11 | 10 | \$702,127 | 48.2% | \$2,081,483 | 2001 | \$208,148 | |
| Elk Grove Unified | 14 | 10 | \$732,837 | 46.2% | \$2,142,139 | 2002 | \$214,214 | |
| Elk Grove Unified | 16 | 9.86 | \$570,198 | 46.2% | \$1,666,733 | 2002 | \$169,040 | |
| Elk Grove Unified | 17 | 10 | \$542,662 | 46.2% | \$1,586,243 | 2002 | \$158,624 | |
| Elk Grove Unified | 20 | 10 | \$710,730 | 43.2% | \$2,034,830 | 2003 | \$203,483 | |
| Elk Grove Unified | 25 | 10 | \$645,923 | 38.4% | \$1,788,052 | 2004 | \$178,805 | |
| Elk Grove Unified | 28 | 10.03 | \$856,468 | 24.4% | \$2,130,974 | 2005 | \$212,460 | |
| Elk Grove Unified | 39 | 9.91 | \$1,007,695 | 20.1% | \$2,420,785 | 2006 | \$244,277 | |
| Folsom-Cordova Unified | 1 | 9.79 | \$816,196 | 20.1% | \$1,960,747 | 2006 | \$200,281 | |
| Folsom-Cordova Unified | 4 | 7.5 | \$455,908 | 46.2% | \$1,332,654 | 2002 | \$177,687 | |
| Folsom-Cordova Unified | 5 | 8 | \$544,213 | 46.2% | \$1,590,776 | 2002 | \$198,847 | |
| Folsom-Cordova Unified | 8 | 8.97 | \$928,197 | 11.2% | \$2,063,757 | 2007 | \$230,073 | |
| Galt Jt Union Elem | 2 | 10.1 | \$1,033,044 | 38.4% | \$2,859,685 | 2004 | \$283,137 | |
| Lincoln Unified | 1 | 9.39 | \$433,498 | 46.2% | \$1,267,148 | 2002 | \$134,947 | |
| Lodi Unified | 3 | 11.2 | \$555,999 | 46.2% | \$1,625,228 | 2002 | \$145,110 | |
| Lodi Unified | 10 | 11.42 | \$1,245,492 | 46.2% | \$3,640,669 | 2002 | \$318,798 | |
| Lodi Unified | 19 | 9.93 | \$999,164 | 11.2% | \$2,221,545 | 2007 | \$223,721 | |
| Lodi Unified | 22 | 10 | \$1,416,212 | 7.7% | \$3,051,426 | 2008 | \$305,143 | |
| Natomas Unified | 6 | 8.53 | \$685,284 | 46.2% | \$2,003,138 | 2002 | \$234,834 | |
| Natomas Unified | 10 | 9.83 | \$618,251 | 43.2% | \$1,770,061 | 2003 | \$180,067 | |
| Natomas Unified | 12 | 9.61 | \$735,211 | 24.4% | \$1,829,275 | 2005 | \$190,351 | |
| Rocklin Unified | 8 | 10.91 | \$593,056 | 46.2% | \$1,733,548 | 2002 | \$158,895 | |
| Stockton Unified | 1 | 12.66 | \$1,462,232 | 7.7% | \$3,150,582 | 2008 | \$248,861 | |
| Stockton Unified | 2 | 10.5 | \$781,675 | 43.2% | \$2,237,946 | 2003 | \$213,138 | |
| Stockton Unified | 6 | 12.48 | \$1,136,704 | 20.1% | \$2,730,703 | 2006 | \$218,806 | |
| Tracy Jt Unified | 4 | 10 | \$618,254 | 46.2% | \$1,807,204 | 2002 | \$180,720 | |
| Tracy Jt Unified | 10 | 10 | \$573,006 | 38.4% | \$1,586,202 | 2004 | \$158,620 | |
| Washington Unified | 1 | 8 | \$446,161 | 46.2% | \$1,304,163 | 2002 | \$163,020 | |
| Washington Unified | 4 | 10.76 | \$979,085 | 7.7% | \$2,109,575 | 2008 | \$196,057 | |
| Totals | | 341.16 | | | \$68,791,833 | Average | \$201,641 | 2024 Adjusted Value \$339,346 |

Middle and High Schools

| <u>District</u> | <u>Project #</u> | <u>Acres</u> | Original | Inflation | 2009 Adjusted | <u>Project Year</u> | <u>2009 Cost/Acre</u> | |
|-------------------------|------------------|--------------|-----------------------|-----------|----------------------|---------------------|-----------------------|--------------------------------------|
| | | | OPSC Site Development | Factor | Site Development | | | |
| Western Placer Unified | 4 | 19.3 | \$5,973,312 | 24.4% | \$7,431,085 | 2005 | \$385,030 | |
| Roseville City Elem | 2 | 21.6 | \$1,780,588 | 48.2% | \$2,639,311 | 2000 | \$122,190 | |
| Elk Grove Unified | 4 | 66.2 | \$8,659,494 | 48.2% | \$12,835,704 | 2000 | \$193,893 | |
| Elk Grove Unified | 13 | 76.4 | \$9,791,732 | 48.2% | \$14,513,986 | 2001 | \$189,974 | |
| Elk Grove Unified | 18 | 84.3 | \$13,274,562 | 43.2% | \$19,002,626 | 2003 | \$225,417 | |
| Grant Jt Union High | 2 | 24 | \$2,183,840 | 48.2% | \$3,237,039 | 2000 | \$134,877 | |
| Center Unified | 1 | 21.2 | \$1,944,310 | 46.2% | \$2,841,684 | 2002 | \$134,042 | |
| Lodi Unified | 2 | 13.4 | \$1,076,844 | 46.2% | \$1,573,849 | 2002 | \$117,451 | |
| Lodi Unified | 6 | 13.4 | \$2,002,164 | 46.2% | \$2,926,240 | 2002 | \$218,376 | |
| Galt Jt Union Elem | 1 | 24.9 | \$2,711,360 | 46.2% | \$3,962,757 | 2002 | \$159,147 | |
| Tahoe Truckee Unified | 2 | 24 | \$2,752,632 | 43.2% | \$3,940,412 | 2003 | \$164,184 | |
| Davis Unified | 5 | 23.3 | \$3,814,302 | 43.2% | \$5,460,199 | 2003 | \$234,343 | |
| Woodland Unified | 3 | 50.2 | \$8,664,700 | 46.2% | \$12,663,792 | 2002 | \$252,267 | |
| Sacramento City Unified | 1 | 35.2 | \$4,813,386 | 46.2% | \$7,034,949 | 2002 | \$199,856 | |
| Lodi Unified | 4 | 47 | \$7,652,176 | 46.2% | \$11,183,950 | 2002 | \$237,956 | |
| Stockton Unified | 3 | 49.1 | \$8,959,088 | 43.2% | \$12,824,996 | 2003 | \$261,202 | |
| Natomas Unified | 11 | 38.7 | \$3,017,002 | 38.4% | \$4,175,850 | 2004 | \$107,903 | |
| Rocklin Unified | 11 | 47.1 | \$11,101,088 | 24.4% | \$13,810,282 | 2005 | \$293,212 | |
| Totals | | 679.3 | | | \$142,058,711 | Average | \$209,125 | |
| Middle Schools: | | 260.7 | | | \$49,447,897 | Middle | \$189,704 | 2024 Adjusted Value \$319,258 |
| High Schools: | | 418.6 | | | \$92,610,814 | High | \$221,217 | \$372,291 |

INDEX ADJUSTMENT ON THE ASSESSMENT FOR DEVELOPMENT

PURPOSE OF REPORT

To report the index adjustment on the assessment for development, which may be levied pursuant to Education Code Section 17620.

DESCRIPTION

The law requires the maximum assessment for development be adjusted every two years by the change in the Class B construction cost index, as determined by the State Allocation Board (Board) in each calendar year. This item requests that the Board make the adjustment based on the change reflected using the RS Means index.

AUTHORITY

Education Code Section 17620(a)(1) states the following: "The governing board of any school district is authorized to levy a fee, charge, dedication, or other requirement against any construction within the boundaries of the district, for the purpose of funding the construction or reconstruction of school facilities, subject to any limitations set forth in Chapter 4.9 (commencing with Section 65995) of Division 1 of Title 7 of the Government Code."

Government Code Section 65995(b)(3) states the following: "The amount of the limits set forth in paragraphs (1) and (2) shall be increased in 2000, and every two years thereafter, according to the adjustment for inflation set forth in the statewide cost index for class B construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

BACKGROUND

There are three levels that may be levied for developer's fees. The fees are levied on a per-square foot basis. The lowest fee, Level I, is assessed if the district conducts a Justification Study that establishes the connection between the development coming into the district and the assessment of fees to pay for the cost of the facilities needed to house future students. The Level II fee is assessed if a district makes a timely application to the Board for new construction funding, conducts a School Facility Needs Analysis pursuant to Government Code Section 65995.6, and satisfies at least two of the requirements listed in Government Code Section 65995.5(b)(3). The Level III fee is assessed when State bond funds are exhausted; the district may impose a developer's fee up to 100 percent of the School Facility Program new construction project cost.

STAFF ANALYSIS/STATEMENTS

A historical comparison of the assessment rates for development fees for 2020 and 2022 are shown below for information. According to the RS Means, the cost index for Class B construction increased by 7.84% percent, during the two-year period from January 2022 to January 2024, requiring the assessment for development fees to be adjusted as follows beginning January 2024:

| | <u>2020</u> | <u>2022</u> | <u>2024</u> |
|-----------------------|-------------|-------------|-------------|
| Residential | \$4.08 | \$4.79 | \$5.17 |
| Commercial/Industrial | \$0.66 | \$0.78 | \$0.84 |

RECOMMENDATION

Increase the 2024 maximum Level I assessment for development in the amount of 7.84 percent using the RS Means Index to be effective immediately.

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 24, 2024

Grant Amount Adjustments

| New Construction | SFP Regulation Section | Adjusted Grant Per Pupil Effective 1-1-23 | Adjusted Grant Per Pupil Effective 1-1-24 |
|--|---------------------------------------|--|--|
| Elementary | 1859.71 | \$15,983 | \$15,770 |
| Middle | 1859.71 | \$16,904 | \$16,679 |
| High | 1859.71 | \$21,509 | \$21,223 |
| Special Day Class – Severe | 1859.71.1 | \$44,911 | \$44,314 |
| Special Day Class – Non-Severe | 1859.71.1 | \$30,036 | \$29,637 |
| Automatic Fire Detection/Alarm System – Elementary | 1859.71.2 | \$19 | \$19 |
| Automatic Fire Detection/Alarm System – Middle | 1859.71.2 | \$25 | \$25 |
| Automatic Fire Detection/Alarm System – High | 1859.71.2 | \$43 | \$42 |
| Automatic Fire Detection/Alarm System – Special Day Class – Severe | 1859.71.2 | \$80 | \$79 |
| Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.71.2 | \$57 | \$56 |
| Automatic Sprinkler System – Elementary | 1859.71.2 | \$268 | \$264 |
| Automatic Sprinkler System – Middle | 1859.71.2 | \$319 | \$315 |
| Automatic Sprinkler System – High | 1859.71.2 | \$331 | \$327 |
| Automatic Sprinkler System – Special Day Class – Severe | 1859.71.2 | \$846 | \$835 |
| Automatic Sprinkler System – Special Day Class – Non-Severe | 1859.71.2 | \$567 | \$559 |

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 24, 2024

Grant Amount Adjustments

| Modernization | SFP Regulation Section | Adjusted Grant Per Pupil Effective 1-1-23 | Adjusted Grant Per Pupil Effective 1-1-24 |
|--|------------------------------|---|---|
| Elementary | 1859.78 | \$6,086 | \$6,005 |
| Middle | 1859.78 | \$6,436 | \$6,350 |
| High | 1859.78 | \$8,427 | \$8,315 |
| Special Day Class - Severe | 1859.78.3 | \$19,396 | \$19,138 |
| Special Day Class – Non-Severe | 1859.78.3 | \$12,977 | \$12,804 |
| State Special School – Severe | 1859.78 | \$32,330 | \$31,900 |
| Automatic Fire Detection/Alarm System – Elementary | 1859.78.4 | \$198 | \$195 |
| Automatic Fire Detection/Alarm System – Middle | 1859.78.4 | \$198 | \$195 |
| Automatic Fire Detection/Alarm System – High | 1859.78.4 | \$198 | \$195 |
| Automatic Fire Detection/Alarm System – Special Day Class – Severe | 1859.78.4 | \$544 | \$537 |
| Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe | 1859.78.4 | \$365 | \$360 |
| Over 50 Years Old – Elementary | 1859.78.6 | \$8,454 | \$8,342 |
| Over 50 Years Old – Middle | 1859.78.6 | \$8,942 | \$8,823 |
| Over 50 Years Old – High | 1859.78.6 | \$11,705 | \$11,549 |
| Over 50 Years Old – Special Day Class – Severe | 1859.78.6 | \$26,948 | \$26,590 |
| Over 50 Years Old – Special Day Class – Non-Severe | 1859.78.6 | \$18,019 | \$17,779 |
| Over 50 Years Old – State Special Day School – Severe | 1859.78.6 | \$44,910 | \$44,313 |

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 24, 2024

Grant Amount Adjustments

| New Construction / Modernization / Facility Hardship / Seismic Mitigation / Joint Use | SFP Regulation Section | Adjusted Grant Amount Effective 1-1-23 | Adjusted Grant Amount Effective 1-1-24 |
|--|---|---|---|
| Therapy/Multipurpose Room/Other (per square foot) | 1859.72 1859.73.2 1859.77.3 1859.82.1 1859.82.2 1859.125 1859.125.1 | \$262 | \$259 |
| Toilet Facilities (per square foot) | 1859.72 1859.73.2 1859.82.1 1859.82.2 1859.125 1859.125.1 | \$470 | \$464 |
| Portable Therapy/Multipurpose Room/Other (per square foot) | 1859.72 1859.73.2 1859.77.3 1859.82.1 1859.125 1859.125.1 | \$59 | \$58 |
| Portable Toilet Facilities (per square foot) | 1859.72 1859.73.2 1859.82.1 1859.125 1859.125.1 | \$152 | \$150 |

| New Construction Only | SFP Regulation Section | Adjusted Grant Amount Effective 1-1-23 | Adjusted Grant Amount Effective 1-1-24 |
|--|---------------------------------------|---|---|
| Parking Spaces (per stall) | 1859.76 | \$20,325 | \$20,055 |
| General Site Grant (per acre for additional acreage being acquired) | 1859.76 | \$26,016 | \$25,670 |
| Project Assistance (for school district with less than 2,500 pupils) | 1859.73.1 | \$9,775 | \$9,645 |

Appendix G

Impacts of the Sunrise Tomorrow Specific Plan

This planned development would replace the current mall area with a variety of buildings with various uses.

The current development plans indicate the following maximum areas:

- Residential = 2,220 units
- Hotel = 480 rooms
- Retail = 320,000 square feet
- Office = 960,000 square feet
- Community/Institutional = 450,000 square feet

The net fee on the residential portion of the replacement development is calculated by providing a credit for the commercial development being replaced and subtracting that credit from the current residential rate for new development, resulting in a net fee that reflects the additional impact created by replacing commercial development with residential development. Residential development would be subject to a net fee of \$5.17 (residential rate) - 0.84 (commercial rate) = **\$4.33** per square foot for the area of the prior Sunrise Mall that is replaced with residential development. For any portion of the residential development that is identified as senior only and meets the requirements of a senior only development, the rate would only be \$0.84 per square foot as it qualifies for a discounted rate equal to the commercial fee. For any portion of the residential development that is in excess of the original building area of the existing buildings, the standard rates for new development would apply.

Hotel development is considered commercial development and generates an impact of \$0.94 per square foot (see “Lodging” in Table 13). However, the mall had an impact of \$1.28 per square foot (see “Community Shopping Center” in Table 13). Therefore, the hotel development areas would not generate an increased impacts on the school district and would not be subject to a development impact fee for the portion of the area of the project that is replacing the existing are of the mall. For any portions that are in excess of the current mall area, the standard fee of \$0.84 per square foot would apply.

Retail development would generate an impact of \$2.27 per square foot (see “Neighborhood Shopping Center” in Table 13). After subtracting the Mall’s impact of \$1.28 there is a net impact of \$0.99 per square foot. Since the maximum allowable rate is currently \$0.84 this category of development would be subject to a fee of \$0.84 per square foot.

Office spaces generate an impact that ranges from \$2.25 to \$4.01 per square foot. The net impact after deducting the current mall amount of \$1.28 per square foot results in a range of \$0.97 to \$2.73 per square foot. Therefore, Office spaces would be subject to the current maximum allowable rate of \$0.84 per square foot.

Community/Institutional spaces include child care centers, gyms and community centers based on the description in the specific plan. These types of spaces would have a similar impact to the retail development and therefore would have a net impact of \$0.84 per square foot.

The total planned development will likely exceed the existing mall area of 1,100,000 square feet.

In the event the specifications of this planned development and the proposed use of space is modified by the developer, the District reserves the right to adjust its imposition of fees accordingly in order to ensure the burden created on the District by the development is mitigated.