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2024 DEVELOPER FEE JUSTIFICATION STUDY FOR MORGAN HILL UNIFIED SCHOOL DISTRICT

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Executive Summary

This Developer Fee Justification Study demonstrates that the Morgan Hill 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

Morgan Hill Unified School District
Developer Fee Collection Rates

Totals	Previous	New	Change
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 $0.09 per square foot is justified.

The total projected number of housing units to be built over the next five years is 307. The average area per unit is 1,584 square feet. This Study demonstrates a need of $10.73 per square foot for residential construction.

Background

Education Code Section 17620 allows school districts to assess fees on new residential and 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 sited 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 Morgan Hill 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 Morgan Hill 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 7,900 students. The enrollment by grade level is shown here in Table 2.

Table 2

Morgan Hill Unified School District
CURRENT ENROLLMENT

Grade	2023/2024
TK/K	766
1	557
2	516
3	583
4	563
5	533
6	576
TK-6 Total	4,094
7	524
8	566
7-8 Total	1,090
9	630
10	688
11	716
12	682
9-12 Total	2,716
TK-12 Total	7,900

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 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

Morgan Hill Unified School District
STUDENT GENERATION FACTORS

Grades	Students per Household
TK-6	0.19243
7-8	0.05942
9-12	0.12574
Total	**0.37759**

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 **67.2%** 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 Morgan Hill Unified School District has experienced an average new residential construction rate of approximately 307 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 the various city planning departments within the school district boundaries, it was determined that the residential construction rate over the next five years will average 307 units per year. Projecting the average rate forward, we would expect that 1,535 units of residential housing will be built within the District boundaries over the next five years.

To determine the impact of residential development, a student projection is done. Applying the student generation factor of 0.37759 to the projected 1,535 units of residential housing, we expect that 579 students will be generated from the new residential construction over the next five years. This includes 295 elementary school students, 91 middle school students, and 193 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

Morgan Hill Unified School District
DEVELOPMENT IMPACT ANALYSIS

Grades	Generation Rate	Students Generated
TK to 6	0.1924	295
7 to 8	0.0594	91
9 to 12	0.1257	193
Totals	**0.3776**	**579**

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
1st-3rd Grades	25 Students/Classroom
4th-6th Grades	25 Students/Classroom
7th-8th Grades	27 Students/Classroom
9th-12th Grades	27 Students/Classroom
Non Severe Special Ed	13 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

Morgan Hill Unified School District
Summary of Existing Facility Capacity

School Facility	Permanent Classrooms	Portable Classrooms	Chargeable Portables	Total Chargeable Classrooms	State Loading Factor	State Funded Projects	Total State Capacity
Grades TK-6	161	40	40	201	25	304	5,329
Grades 7-8	89	26	26	115	27	0	3,105
Grades 9-12	40	8	8	48	27	1,282	2,578
Special Ed	12	0	0	12	13	48	204
Totals	302	74	74	376		1,634	11,216

OPSC Funded Projects

Name	Project #	TK-6 Grants	7-8 Grants	9-12 Grants	Special Ed	CR
Barrett Elem	1	271	0	540	13	26
Ann Sobrato High	2	0	0	742	26	57
Los Paseos Elem	3	33	0	0	0	1
Jackson Academy	4	0	0	0	9	6
	Totals	304	0	1,282	48	90

This table shows a basic summary of the form and procedures used by OPSC (Office of Public School Construction) to determine the capacity of a school district. There were a total of 302 permanent classrooms in the District when the baseline was established. In addition, there were 74 portable classrooms. OPSC regulations state that if the number of portables exceeds 25% of the permanent classrooms, then the maximum number of portables to be counted in the baseline capacity is 25% of the permanent classrooms. Since the District has fewer portable classrooms than 25% of the

permanent classrooms, all 74 portable classrooms are included in the baseline. This results in a total classroom count of 376 and is referred to as the chargeable classrooms.

To determine the total capacity based on State standards, the capacity of the chargeable classrooms are multiplied by the State loading standards and then the capacity of the projects completed since 1998/99 (when the baseline was established) are added based on the State funded new construction projects. As Table 7 shows, the total State capacity of the District facilities is 11,216 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

Morgan Hill Unified School District
Summary of Available District Capacity

School Facility	State Capacity	Space Needed	Available Capacity
Grades TK-6	5,329	5,004	325
Grades 7-8	3,105	1,306	1,799
Grades 9-12	2,578	2,801	(223)
Special Ed	204	169	35
Totals	11,216	9,280	1,936

The District capacity of 11,216 is more than the space needed of 9,280, assuming the existing facilities remain in sufficient condition to maintain existing levels of service. The difference is 1,936 students. Since the enrollment space needed at grades 9-12 exceeds the District capacity there is no excess capacity available to house students at grades 9-12 from new development.

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 Morgan Hill Unified School District. To the extent this relationship exists, the District is justified in levying developer fees as authorized by Education Code Section 17620.

School Facility Construction Costs

For the purposes of estimating the cost of building school facilities we have used the State School Building Program funding allowances. These amounts are shown in Table 9. In addition to the basic construction costs, there are site acquisition costs of $522,000 per acre and service-site, utilities, off-site and general site development costs which are also shown in Table 9.

Table 9

NEW CONSTRUCTION COSTS

Grade	Base Grant	Fire Alarms	Fire Sprinklers	Per Student Total
TK-6	$31,540	$38	$528	$32,106
7-8	$33,358	$50	$630	$34,038
9-12	$42,446	$84	$654	$43,184

Site Acreage Needs

Grade	Typical Acres	Average Students	Projected Unhoused Students	Equivalent Sites Needed	Site Acres Needed
TK-6	10	600	0	0.00	0.00
7-8	20	800	0	0.00	0.00
9-12	40	1,500	193	0.13	5.15
				TOTAL	**5.15**

General Site Development Allowance

Grade	Acres	Allowance/ Acre	Base Cost	% Allowance	Added Cost	Total Cost
TK-6	0.00	$51,340	$0	6%	$0	$0
7-8	0.00	$51,340	$0	6%	$0	$0
9-12	5.15	$51,340	$264,401	3.75%	$312,544	$576,945
Totals	**5.15**					**$576,945**

Site Acquisition & Development Summary

Grade	Acres Needed	Land Cost/Acre	Total Land Cost	Site Development Cost/Acre	Site Dev. Cost	General Site Development	Total Site Development
TK-6	0.00	$522,000	$0	$339,346	$0	$0	$0
7-8	0.00	$522,000	$0	$319,258	$0	$0	$0
9-12	5.15	$522,000	$2,688,300	$372,291	$1,917,299	$576,945	$2,494,244
Totals	**5.15**		**$2,688,300**		**$1,917,299**	**$576,945**	**$2,494,244**

Note: The grant amounts used are twice those shown in the appendix to represent the full cost of the facility needs and not just the standard State funding share of 50%.

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 10

Modernization Project Needs

	Eligible Modernization Grants				State	District	Project
School	**Elem**	**Middle**	**High**	**Spec Ed**	**Funding**	**Share**	**Total**
Paradise Valley Engineering	76	0	0	1	$554,742	$369,827	$924,569
Encinal Elem	175	0	0	12	$1,327,285	$884,856	$2,212,141
Martin Murphy	0	550	0	0	$3,704,525	$2,469,683	$6,174,208
Nordstrom Elem	88	0	0	0	$624,866	$416,577	$1,041,443
TOTALS	**339**	**550**	**0**	**13**	**$6,211,417**	**$4,140,944**	**$10,352,361**

Table 11

New Development Share of Modernization Costs

	Eligible Modernization	New Development Impacts		
Grade	**Grants**	**Students**	**$/Student**	**Amount**
TK-6	339	295	$32,106	$9,471,270
7-8	550	91	$34,038	$3,097,458
9-12	0	0	$43,184	$0
Totals	**889**	**386**		**$12,568,728**

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.

In addition, the State provides that new construction projects can include the costs for site acquisition and development, including appraisals, surveys and title reports. The District needs to acquire 5.15 acres to meet the needs of the students projected from the new developments. Therefore, the costs for site acquisition and development of the land have been included in the total impacts due to new development.

Finally, 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 12

Morgan Hill Unified School District
Summary of Residential Impact

School Facility	Students Generated	Available Space	Net Unhoused	Construction Cost Per Student	Total Facility Costs
Elementary	295	325	0	$32,106	$0
Middle	91	1,799	0	$34,038	$0
High & Cont.	193	0	193	$43,184	$8,334,512
Site Purchase: 5.15 acres					$2,688,300
Site Development:					$2,494,244
		New Construction needs due to development:			**$13,517,056**
		Modernization needs due to development:			**$12,568,728**
			TOTAL DEVELOPMENT IMPACT:		**$26,085,784**
			Average cost per student:		**$45,053**
			Total Residential Sq Ft:		**2,431,440**
			Residential Fee Justified:		**$10.73**

The total need for school facilities based solely on the impact of the 1,535 new housing units projected over the next five years totals $26,085,784. 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 1,584 square feet. The total area for 1,584 new homes would therefore be 2,431,440 square feet. The total residential fee needed to be able to collect $26,085,784 would be **$10.73** 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.

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 13

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 30,820 employees and 22,164 homes in the District. This represents a ratio of 1.3905 employees per home.

There were 8,369 school age children attending the District in 2020. This is a ratio of 0.2715 students per employee. This ratio, however, must be reduced by including only the percentage of employees that worked in their community of residence (19%), 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 0.0516.

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 12.

Residential Offset

When additional employees are generated in the District as a result of new 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 (19 percent).
- Housing units per employee (0.7191). This was derived from the 2018-2022 ACS 5 Year Estimates and DP1 data for the District, which indicates there were 22,164 housing units and 30,820 employees.
- Percentage of employees that will occupy new housing units (75 percent).
- Average square feet per dwelling unit (1,584).
- Residential fee charged by the District ($5.17 per square foot).
- Average cost per student was determined in Table 12.

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 14

Morgan Hill Unified School District
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	0.0516	0.146	$45,053	$6.58	$2.37	$4.21
Community Shopping Centers	1.53	0.0516	0.079	$45,053	$3.56	$1.28	$2.28
Neighborhood Shopping Centers	2.71	0.0516	0.140	$45,053	$6.30	$2.27	$4.03
Industrial Business Parks	3.52	0.0516	0.182	$45,053	$8.18	$2.95	$5.23
Industrial Parks	1.35	0.0516	0.070	$45,053	$3.14	$1.13	$2.01
Rental Self Storage	0.06	0.0516	0.003	$45,053	$0.14	$0.05	$0.09
Scientific Research & Development	3.04	0.0516	0.157	$45,053	$7.07	$2.55	$4.52
Lodging	1.13	0.0516	0.058	$45,053	$2.63	$0.95	$1.68
Standard Commercial Office	4.79	0.0516	0.247	$45,053	$11.13	$4.02	$7.11
Large High Rise Commercial Office	4.31	0.0516	0.222	$45,053	$10.02	$3.62	$6.40
Corporate Offices	2.69	0.0516	0.139	$45,053	$6.25	$2.26	$3.99
Medical Offices	4.27	0.0516	0.220	$45,053	$9.93	$3.58	$6.35

*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 $0.09 per square foot of Rental Self Storage construction.

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 $26,085,784. 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 x 1,535 homes x 1,584 sq ft per home = $12,570,545 for Residential

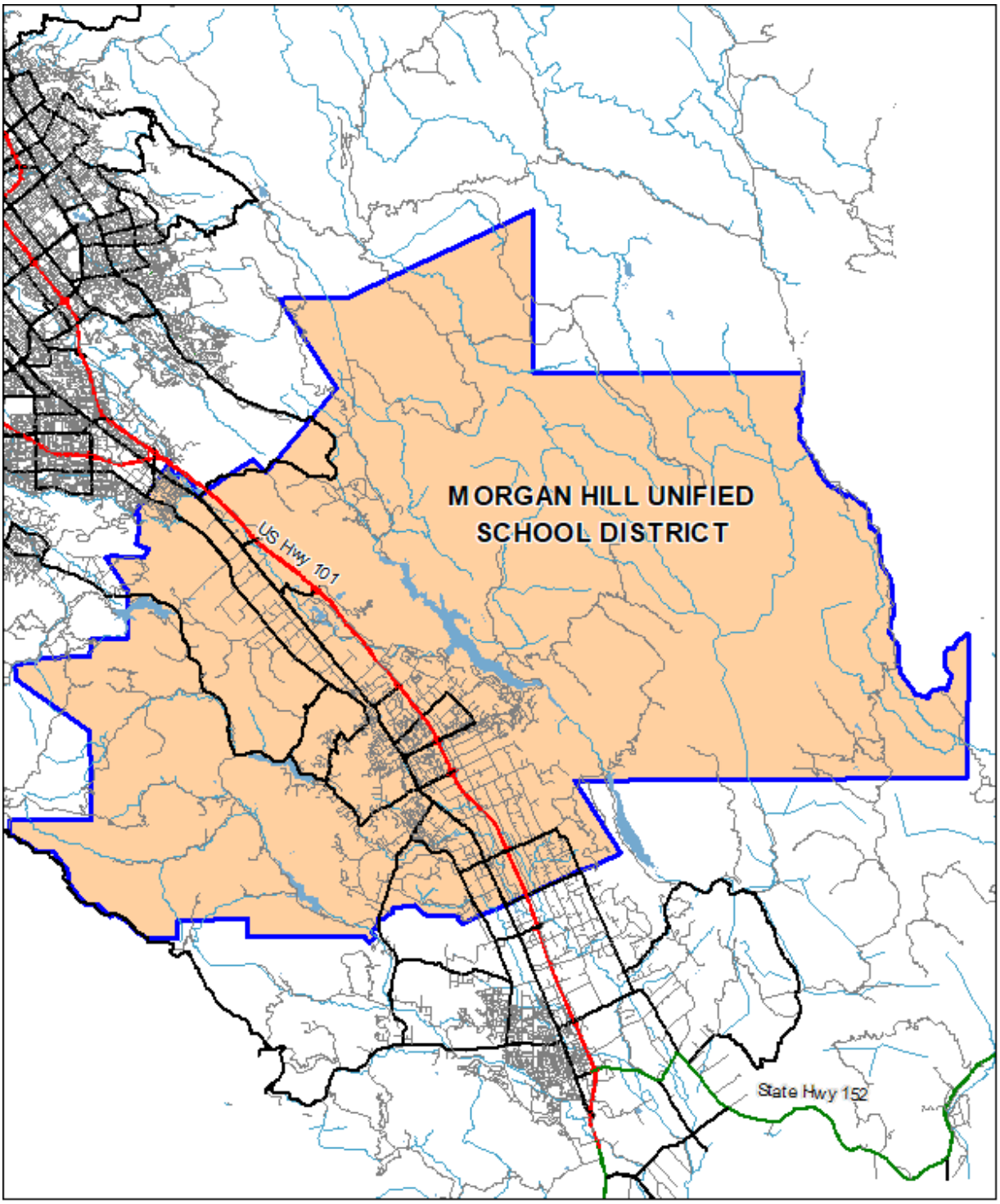
$0.84 x 331,395 sq ft per year x 5 years = $1,391,859 for Commercial/Industrial

Total projected 5 year income: $13,962,404

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 Morgan Hill 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 Morgan Hill Unified School District. The following three nexus tests required to show justification for levying fees have been met:

Burden Nexus: New residential development will generate an average of 0.37759 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 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 $10.73 per square foot of residential development. Each square foot of residential development will generate $5.17 in developer fees resulting in a shortfall of $5.56 per square foot.

Benefit Nexus: The developer fees to be collected by the Morgan Hill Unified School District will be used for the provision of additional and reconstructed or modernized school facilities. This will benefit the students to be generated by new 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 projects listed in the Long Range Facility Development Plan updated July 13, 2023 (See Appendices).

The reasonable relationship identified by these findings provides the required justification for the Morgan Hill 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 **$0.09** per square foot is justified as authorized by Education Code Section 17620.

Appendices

2024 Developer Fee Justification Study

Morgan Hill Unified School District

ENROLLMENT CERTIFICATION/PROJECTION

SAB 50-01 (REV 05/09)

SCHOOL DISTRICT	FIVE DIGIT DISTRICT CODE NUMBER (*see California Public School Directory*)
Morgan Hill Unified	69583
COUNTY	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (*if applicable*)
Santa Clara	

Check one: ☑ **Fifth-Year Enrollment Projection** ☐ **Tenth-Year Enrollment Projection**

HSAA Districts Only - Check one: ☐ **Attendance** ☐ **Residency**

☐ **Residency - COS Districts Only** - (Fifth Year Projection Only)

☐ **Modified Weighting** (Fifth-Year Projection Only)

☐ **Alternate Weighting -** (Fill in boxes to the right):

3rd Prev. to 2nd Prev.	2nd Prev. to Prev.	Previous to Current

Part A. K-12 Pupil Data

Grade	7th Prev. /	6th Prev. /	5th Prev. /	4th Prev. /	3rd Prev. 2020 / 2021	2nd Prev. 2021 / 2022	Previous 2022 / 2023	Current 2023 / 2024
K					688	603	725	766
1					549	562	510	557
2					551	530	587	516
3					626	523	556	583
4					577	598	536	563
5					600	542	609	533
6					564	580	526	576
7					662	563	572	524
8					668	661	558	566
9					690	724	704	630
10					731	707	714	688
11					679	727	694	716
12					660	695	722	682
TOTAL					**8245**	**8015**	**8013**	**7900**

Part B. Pupils Attending Schools Chartered By Another District

7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
				0	0	0	0

Part C. Continuation High School Pupils - (Districts Only)

Grade	7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
9					0	0	0	0
10					0	0	0	0
11					0	0	0	0
12					0	0	0	0
TOTAL					**0**	**0**	**0**	**0**

Part D. Special Day Class Pupils - (Districts or County Superintendent of Schools)

	Elementary	Secondary	TOTAL
Non-Severe	0	0	**0**
Severe	0	0	**0**
TOTAL	0	0	

Part E. Special Day Class Pupils - (County Superintendent of Schools Only)

7th Prev. /	6th Prev. /	5th Prev. /	4th Prev. /	3rd Prev. 2020 / 2021	2nd Prev. 2021 / 2022	Previous 2022 / 2023	Current 2023 / 2024

Part F. Birth Data - (Fifth-Year Projection Only)

☐ County Birth Data ☐ Birth Data by District ZIP Codes

8th Prev.	7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev. ☐ Estimate	Previous ☐ Estimate	Current ☐ Estimate

Part G. Number of New Dwelling Units
(Fifth-Year Projection Only) 1535

Part H. District Student Yield Factor
(Fifth-Year Projection Only) .377594

Part I. Projected Enrollment

1. Fifth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-6	7-8	9-12	TOTAL
5392	1116	2458	**8966**

Special Day Class pupils only - Enrollment/Residency

	Elementary	Secondary	TOTAL
Non-Severe	0	0	**0**
Severe	0	0	**0**
TOTAL	0	0	

2. Tenth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-6	7-8	9-12	TOTAL

Special Day Class pupils only - Enrollment/Residency

	Elementary	Secondary	TOTAL
Non-Severe			
Severe			
TOTAL			

I certify, as the District Representative, that the information reported on this form and, when applicable, the High School Attendance Area Residency Reporting Worksheet attached, is true and correct and that:

- *I am designated as an authorized district representative by the governing board of the district.*
- *If the district is requesting an augmentation in the enrollment projection pursuant to Regulation Section 1859.42.1 (a), the local planning commission or approval authority has approved the tentative subdivision map used for augmentation of the enrollment and the district has identified dwelling units in that map to be contracted. All subdivision maps used for augmentation of enrollment are available at the district for review by the Office of Public School Construction (OPSC).*
- *This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.*

NAME OF DISTRICT REPRESENTATIVE (PRINT OR TYPE)

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

TELEPHONE NUMBER

E-MAIL ADDRESS

HLCM

HLCMINC.COM

Building Partnerships

FMP Cost Estimate

July 13, 2023

Morgan Hill Unified School District

Long Range Facility Development Plan

Morgan Hill, CA

LPA Project No. 31075.10

MORGAN HILL

UNIFIED SCHOOL DISTRICT

Prepared for LPA Design Studios, Inc.

Morgan Hill Unified School District

Long Range Facility Development Plan

July 13, 2023

MAIN SUMMARY

School Site	Site Area (SF)	Existing Building Area (SF)	New Building Area (SF)	Total TOTAL PROJECT COST (2023$)
Barrett ES	419,918	45,304	17,512	$ 55,936,000
El Toro ES	553,212	45,905	21,635	$ 59,227,000
Jackson Academy of Math and Music	392,040	-	89,005	$ 87,476,000
Los Paseos ES	333,234	27,603	43,378	$ 66,682,000
Nordstrom ES	453,024	11,232	65,721	$ 72,782,000
Paradise Valley Engineering Academy	365,904	40,685	20,150	$ 52,238,000
San Martin / Gwinn TK-8	815,879	26,542	73,094	$ 101,602,000
PA Walsh STEAM Academy	435,600	-	85,009	$ 99,384,000
Britton MS	522,720	8,840	44,955	$ 28,368,000
Martin Murphy MS	958,320	25,684	-	$ 79,270,000
Ann Sobrato HS	753,588	60,786	17,374	$ 172,252,000
Live Oak HS	5,227,200	176,644	26,643	$ 257,014,000
LBJ Education Center (Central)	2,115,000	104,009	173,097	$ 40,486,000
ACT Education Center (Community Adult)	492,228	8,442	17,596	$ 35,698,000
TOTAL PROJECT COST (2023$)				$ 1,208,415,000

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.

	Morgan Hill 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	22,865	100.0%
Occupied housing units	22,164	96.9%
Vacant housing units	701	3.1%
For rent	225	1.0%
Rented, not occupied	17	0.1%
For sale only	89	0.4%
Sold, not occupied	40	0.2%
For seasonal, recreational, or	97	0.4%
All other vacants	233	1.0%
VACANCY RATES		
Homeowner vacancy rate (percent)	0.5	(X)
Rental vacancy rate (percent) [5]	3.5	(X)
HOUSING TENURE		
Occupied housing units	22,164	100.0%
Owner-occupied housing units	16,055	72.4%
Renter-occupied housing units	6,109	27.6%

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 20 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 units "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 the 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.

	Morgan Hill Unified School District, California			
Label	**Estimate**	**Margin of Error**	**Percent**	**Percent Margin of Err**
HOUSING OCCUPANCY				
Total housing units	20,865	±1,562	20,865	(
Occupied housing units	20,519	±1,532	98.3%	±2
Vacant housing units	346	±491	1.7%	±2
Homeowner vacancy rate	N	N	(X)	(
Rental vacancy rate	N	N	(X)	(
UNITS IN STRUCTURE				
Total housing units	20,865	±1,562	20,865	(
1-unit, detached	14,020	±1,512	67.2%	±4
1-unit, attached	3,193	±845	15.3%	±4
2 units	121	±137	0.6%	±0
3 or 4 units	293	±203	1.4%	±1
5 to 9 units	753	±331	3.6%	±1
10 to 19 units	462	±396	2.2%	±1
20 or more units	981	±460	4.7%	±2
Mobile home	812	±466	3.9%	±2
Boat, RV, van, etc.	230	±186	1.1%	±0
YEAR STRUCTURE BUILT				
Total housing units	20,865	±1,562	20,865	(

Table Notes

Selected Housing Characteristics

Survey/Program: American Community Survey

Year: 2022

Estimates: 1-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, an 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, 2022 American Community Survey 1-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 erro (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.

The 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 certai instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB delineations 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 inter 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 erro 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.

	Morgan Hill Unified School District, California		
	Total		Car, tru
Label	Estimate	Margin of Error	
Workers 16 years and over	30,820	±1,091	
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	30,820	±1,091	
Workers 16 years and over who did not work from home	25,660	±1,083	
TIME OF DEPARTURE TO GO TO WORK			
TRAVEL TIME TO WORK			
Less than 10 minutes	10.1%	±1.5	
10 to 14 minutes	8.9%	±1.4	
15 to 19 minutes	10.3%	±1.3	
20 to 24 minutes	8.1%	±1.5	
25 to 29 minutes	4.4%	±1.1	
30 to 34 minutes	11.8%	±1.4	
35 to 44 minutes	12.3%	±1.7	
45 to 59 minutes	14.7%	±1.7	
60 or more minutes	19.3%	±1.7	
Mean travel time to work (minutes)	35.9	±1.1	
Workers 16 years and over in households	30,605	±1,082	

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, an 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 erro (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, dat 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 interv 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 erro and the margin of error may be treated as zero.

SchoolWorks, Inc.
8700 Auburn Folsom Road, #200
Granite Bay, CA 95746
916.733.0402

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.

SchoolWorks, Inc.
8700 Auburn Folsom Road, Suite 200
Granite Bay, CA 95746
916.733.0402

Determination of Average State allowed amounts for Site Development Costs

Elementary Schools

District	Project #	Acres	Original OPSC Site Development	Inflation Factor	2009 Adjusted Site Development	Project Year	2009 Cost/Acre	
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	**2024**
Washington Unified	4	10.76	$979,085	7.7%	$2,109,575	2008	$196,057	**Adjusted**
								Value
Totals		**341.16**			**$68,791,833**	**Average**	**$201,641**	**$339,346**

Middle and High Schools

District	Project #	Acres	Original OPSC Site Development	Inflation Factor	2009 Adjusted Site Development	Project Year	2009 Cost/Acre	
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	**2024**
Rocklin Unified	11	47.1	$11,101,088	24.4%	$13,810,282	2005	$293,212	**Adjusted**
Totals		**679.3**			**$142,058,711**	Average	$209,125	**Value**
Middle Schools:		**260.7**			**$49,447,897**	Middle	$189,704	**$319,258**
High Schools:		**418.6**			**$92,610,814**	High	$221,217	**$372,291**

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 24, 2024

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:

RS Means Index Maximum Level I Assessment Per Square Foot

	2020	2022	2024
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