



Level I Developer Fee Study
for
Cajon Valley Union School District

April 28, 2026

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EXECUTIVE SUMMARY

- Education Code Section 17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities provided the district can show justification for levying of fees.
- In January 2026, the State Allocation Board's biennial inflation adjustment changed the fee to \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction.
- The Cajon Valley Union School District currently has a Level I Fee Sharing Agreement with the Grossmont Union High School District. The Cajon Valley Union School District collects 62 percent of the Level I Fee and the High School District collects 38 percent of the Level I Fee.
- The District is justified to collect \$3.34 (62 percent of \$5.38) per square foot of residential construction and \$0.54 (62 percent of \$0.87) per square foot of commercial/industrial construction, with the exception of mini storage. The mini storage category of construction should be collected at a rate of \$0.07 per square foot.
- The justification is based on this study's findings that the District currently exceeds its TK-8 capacity and will continue to do so through the 2030/2031 school year.
- Each new residential unit projected to be constructed in the District is projected to average 1,370 square feet and will generate .273 TK - 8th grade students for the District to house.
- Each square foot of residential construction will create a school facilities cost of \$19.97 per square foot of new residential construction.

- Each square foot of commercial/industrial construction will create a school facilities cost ranging from \$0.07 to \$5.88 per square foot of new commercial/industrial construction.

SCHOOL DISTRICT BACKGROUND

The Cajon Valley Union School District, located in San Diego County approximately 15 miles east of downtown San Diego, serves approximately 17,000 students in transitional kindergarten through grade 12 across a network of schools that includes 16 elementary schools, 5 middle schools, 2 TK-8 schools, an alternative school, a home school program, and a charter school, as well as special education preschool and state preschool at multiple sites. The district reflects a highly diverse student population, with students speaking more than 40 languages and representing 89 countries. Nearly one-third of students are English Learners, and approximately 70% of students qualify for free or reduced-price meals. In recent years, the district has experienced significant enrollment growth, including a large number of students who are new to the United States.

According to the Local Control and Accountability Plan (LCAP), the Cajon Valley Union School District is committed to preparing students for success in college, career, and life by fostering a positive and inclusive learning environment. The district emphasizes personalized learning, helping students develop self-awareness, build a growth mindset, and apply academic knowledge to real-world challenges. Schools offer a variety of innovative programs, including language immersion, STEM, arts, and career readiness pathways, allowing students to explore their interests and strengths. The district prioritizes meeting the diverse needs of its students and families while maintaining high expectations for academic achievement and student engagement.

Cajon Valley Union School District serves a dynamic and evolving community shaped by cultural diversity and global perspectives. The district focuses on creating supportive school environments where students feel welcomed and valued, and where their individual experiences contribute to the broader learning community. Through its programs and services, the district continues to support students' academic, social, and personal development as they prepare for future opportunities.

INTRODUCTION

In September 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes of 1986) which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620 which 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 maximum fee that can be levied is adjusted every two years according to the inflation rate, as listed by the statewide index for Class B construction set by the State Allocation Board. In January of 1992, the State Allocation Board increased the maximum fee to \$1.65 per square foot for residential construction and \$0.27 per square foot for commercial/industrial construction.

Senate Bill 1187 (Chapter 1354/Statutes of 1992) effective January 1, 1993, affected the facility mitigation requirements a school district could impose on developers. Senate Bill 1187 allowed school districts to levy an additional \$1.00 per square foot of residential construction (Government Code Section 65995.3). The authority to levy the additional \$1.00 was rescinded by the failure of Proposition 170 on the November 1993 ballot.

In January 1994, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.72 per square foot for residential construction and \$0.28 per square foot for commercial/industrial construction.

In January 1996, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.84 per square foot for residential construction and \$0.30 per square foot for commercial/industrial construction.

In January 1998, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.93 per square foot for residential construction and \$0.31 per square foot for commercial/industrial construction.

In January 2000, the State Allocation Board's biennial inflation adjustment changed the fee to \$2.05 per square foot for residential construction and \$0.33 per square foot for commercial/industrial construction.

In January 2002, the State Allocation Board's biennial inflation adjustment changed the fee to \$2.14 per square foot for residential construction and \$0.34 per square foot for commercial/industrial construction.

In January 2004, the State Allocation Board's biennial inflation adjustment changed the fee to \$2.24 per square foot for residential construction and \$0.36 per square foot for commercial/industrial construction.

In January 2006, the State Allocation Board's biennial inflation adjustment changed the fee to \$2.63 per square foot for residential construction and \$0.43 per square foot for commercial/industrial construction.

In January 2008, the State Allocation Board's biennial inflation adjustment changed the fee to \$2.97 per square foot for residential construction and \$0.47 per square foot for commercial/industrial construction.

In January 2010, the State Allocation Board maintained the fees at \$2.97 per square foot for residential construction and \$0.47 per square foot for commercial/industrial construction.

In January 2012, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.20 per square foot for residential construction and \$0.51 per square foot for commercial/industrial construction.

In January 2014, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.36 per square foot for residential construction and \$0.54 per square foot for commercial/industrial construction.

In February 2016, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.48 per square foot for residential construction and \$0.56 per square foot for commercial/industrial construction.

In January 2018, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.79 per square foot for residential construction and \$0.61 per square foot for commercial/industrial construction.

In January 2020, the State Allocation Board's biennial inflation adjustment changed the fee to \$4.08 per square foot for residential construction and \$0.66 per square foot for commercial/industrial construction.

In February 2022, the State Allocation Board's biennial inflation adjustment changed the fee to \$4.79 per square foot for residential construction and \$0.78 per square foot for commercial/industrial construction.

In January 2024, the State Allocation Board's biennial inflation adjustment changed the fee to \$5.17 per square foot for residential construction and \$0.84 per square foot for commercial/industrial construction.

In January 2026, the State Allocation Board's biennial inflation adjustment changed the fee to \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction.

The fee will be adjusted in January 2028 and every two years thereafter in accordance with the statewide cost index for Class B construction as determined by the State Allocation Board.

In order to levy a fee, a district must make a finding that the fee to be paid bears a reasonable relationship and be limited to the needs of the community for elementary or high school facilities and be reasonably related to the need for schools caused by the development. Fees are different from taxes and do not require a vote of the electorate. Fees may be used only for specific purposes and there must be a reasonable relationship between the levying of fees and the impact created by development.

Senate Bill 50: Background

In August 1998, the Governor signed into legislation Senate Bill 50, also known as the Leroy Greene School Facilities Act of 1998. This bill made major changes in the State

school facilities program, as well as developer fee mitigation for school districts in California. Education Code Section 17620 was amended to include the provisions of Government Code Section 65995.

Prior to the passage of SB 50, school districts had been able to rely on a series of appellate court decisions known as “Mira-Hart-Murrieta”. These court decisions had allowed municipalities, when making a legislative decision (such as general plan amendments, development agreements, zoning changes, etc.) concerning land use, to consider the impacts of that decision on school facilities and condition its approval on mitigation measures. These cases allowed cities and counties to assist school districts by using their legislative power to fully mitigate the impacts of land development on school facilities. These measures could be in the form of higher developer fees, land dedication or other measures which the municipal agencies agreed would mitigate the impacts of the projected development. In addition, the California Environmental Quality Act (CEQA) was interpreted by the “Mira” decisions to include mitigation for the environmental impact of a development, providing the school districts with another opportunity to benefit from mitigation agreements.

SB 50 imposes new limitations on the power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development. This law amends Government Code Section 65995(a) to provide that only those funds authorized by Education Code Section 17620 or Government Code Section 65970 may be levied or imposed in connection with or made conditions of any legislative or adjudicative act by a local agency involving planning, use, or development of real property.

SB 50 provides authority for collection of three levels of developer fees:

Level I Fees:

Level I Fees are the current statutory fees allowed under Education Code Section 17620. This code section provides the basic authority for school districts to levy a fee against residential and commercial/industrial construction for the purpose of funding school construction or reconstruction of facilities. These fees, which are currently \$5.38 for residential construction and \$0.87 for commercial/industrial construction, will be

increased in the year 2026 and every two years thereafter in accordance with the statewide cost index for Class B Construction as determined by the State Allocation Board. The district can collect these fees as long as a current justification study justifies those amounts, according to the regulations in Government Code Section 66001.

Level II Fees:

Level II Fees are outlined in Government Code Section 65995.5. This code section allows a school district to impose a higher fee on residential construction if certain conditions are met. This level of developer fees is subject to a Facility Needs Analysis based on Government Code Section 65995.6.

Level III Fees:

Level III Fees are outlined in Government Code Section 65995.7. If State funding becomes unavailable, this code section authorizes a school district that has been approved to collect Level II fees, to collect a higher fee on residential construction. This fee is equal to twice the amount of Level II fees. However, if a district eventually receives State funding, this excess fee must be reimbursed to the developers or be subtracted from the amount of State funding.

In accordance with the recent decision in the *Cresta Bella LP v. Poway Unified School District* (2013 WL 3942961) court Case, school districts are now required to demonstrate that reconstruction projects will generate an increase in the student population thereby creating an impact on the school district's facilities. School districts must establish a reasonable relationship between an increase in student facilities needs and the reconstruction project in order to levy developer fees.

Purpose of Study

This study will demonstrate the relationship between residential and commercial/industrial growth and the need for the construction and/or reconstruction of school facilities in the District based on the requirements for collection of Level I Fees (statutory fees).

SECTION I: DEVELOPER FEE JUSTIFICATION

Developer fee law requires that before fees can be levied a district must find that justification exists for the fee. Justification for the fee can be shown if anticipated residential and commercial/industrial development within a district will impact it with additional students. It must also be shown that the amount of developer fees to be collected will not exceed the district's cost for housing students generated by new development. This section of the study will show that justification does exist for levying developer fees in the District.

School Capacity

The District's TK-8 capacity is based on State School Facility Program (SFP) loading standards. Based on SFP loading standards, transitional kindergarten classrooms were loaded at 20 pupils, kindergarten through 3rd grade classrooms were loaded at 24 pupils, 4th – 6th grade classrooms were loaded at 25 pupils, and 7th – 8th grade classrooms were loaded at 27 pupils, non-severe special day class classrooms were loaded at 13 pupils, and severe special day class classrooms were loaded at 9 pupils. The District's current TK-8 enrollment is 16,942, with a capacity of 16,290. The District currently exceeds its TK-8 capacity and is projected to do so through the 2030-2031 school year. The District's capacity is included as Appendix A.

Student Generation

To identify the number of students anticipated to be generated by new residential development, the TK-8 student generation rates of .255 for single-family units and .296 for multi-family units have been utilized for the District. The student generation rates are based on a student generation study conducted by Jack Schreder & Associates in April 2026. Recently constructed residences were compared to the District's student address list to determine a single family and multi-family student generation rate. A total of 160 students were generated from 627 single family residential units for a student generation rate of .255 (160/627) for single family units. A total of 46 students were generated from 155 multi-family residential units for a student generation rate of .296 (46/155) for multi-family units. Student generation rates are outlined in Table 1.

Table 1:
Student Generation Rates

Residential Unit Type	Grade Level	Yield
Single-Family	TK-8	.255
Multi-Family	TK-8	.296

Sources: Jack Schreder & Associates, Cajon Valley Union School District.

Enrollment Projection and Development

The enrollment projections used in this study utilize a cohort methodology based on four years of historic California Basic Education Data System (CBEDS) enrollments. The cohort survival method of projecting enrollments identifies the probability that a student will "survive" from one school year to the next in the successive grade level. By using four years of enrollment, the cohort rates are averaged over four years.

The Cajon Valley Union School District is located within the City of El Cajon and County of San Diego Planning Jurisdictions. Projected development within the District's boundary is based on SANDAG's Series 15 Regional Forecast estimates. According to SANDAG's Series 15 Regional Forecast, approximately 118 residential units are projected to be constructed per year over the next 5 years for a total of 590 (118 x 5) residential units. Of the projected 590 residential units, approximately 315 units are projected be single family and 275 are projected to be multi-family units. Table 2 includes projected development. Appendix C includes a development summary provided by SANDAG.

Table 2:
Projected Residential Development

Single-Family Units	315
Multi-Family Units	275
Total	590

Sources: SANDAG Series 15 Regional Forecast.

Weighted Student Generation Factor

In order to determine a weighted student generation rate for the developer fee calculation, the number of units from each type of residential construction projected to be built in the District were multiplied by the student yield factors for that type of construction. The total number of students generated was divided by the total projected residential development to determine the TK-8 weighted student generation factor for the District. The weighted student generation factor calculation of .273 is illustrated in Table 3.

Table 3:
Average Student Generation Factor (SGR)

Type of Construction	# of Units	x	TK-8 SGR	=	Students Generated
Single-Family	315		.255		80
Multi-Family/ADU	275		.296		81
Total	590				161
TK-8 Weighted Average Student Generation Factor (161 / 590 DU) = .273					

Sources: SANDAG Series 15 Regional Forecast, Jack Schreder and Associates, Cajon Valley Union School District.

District Capacity Compared to Enrollment Projection

The District’s current TK-8 enrollment is 16,942 with a capacity of 16,290. The District currently exceeds its TK-8 capacity and is projected to do so through the 2030-2031 school year. The District’s capacity is included as Appendix A and the enrollment projection is included as Appendix B. SANDAG’S Series 15 Regional Forecast projects 590 units within the next 5 years, 118 are projected to be built each year. Therefore, the enrollment projection includes the projected development of 118 residential units per year for the five year projection for a total of 590 residential units over the five year time frame.

Residential Fee Projection

To show a reasonable relationship exists between the construction of new housing units and the need for additional school facilities, it will be shown that each square foot of new assessable residential space will create a school facility cost impact on the District.

The Cajon Valley Union School District plans to provide future students with permanent school facilities, constructed as stand-alone permanent school structures or permanent additions to existing structures. The District also plans to provide additional adequate core facilities, as needed, to accommodate students generated from new development. In addition, the District will use developer fees to maintain its existing level of service through modernization funds.

To determine the cost impact of residential construction on the District, the cost to house a student in new school facilities must be identified. The construction cost per TK-8 pupil is \$90,200. Construction costs were provided by The Cumming Group, a project management and cost consulting firm, based on current and past projects in the region. Appendix D includes the cost per student calculations and Table 4 shows the weighted average to construct facilities per TK-8 pupil.

Table 4:
Facility Cost Per Student

<u>Grade</u>	<u>Cost</u>
TK-5	\$82,739
6-8	\$107,610

$$\text{Weighted Average } [(\$82,739 \times 7) + (\$107,610 \times 3)] / 10 = \$90,200$$

Sources: Cumming Group.

Square Footage of Residential Development

To determine the impact per square foot of residential construction, the student generation factors are compared to the average house size by unit type anticipated to be constructed in the District. Based on historical developer fee records, single family residential units average 1,359 square feet and multi-family residential units average 1,087 square feet. Table 5 shows the calculation for the average square footage for residential construction, 1,232 square feet.

Table 5:
Average Square Footage of Residential Units

Unit Type by Jurisdiction	# of Units	Average SF	Total SF
Single Family	315	1,359	428,085
Muti-Family	275	1,087	298,925
Total	590		727,010
Weighted Average $727,010 / 590 = 1,232$			

Sources: Jack Schreder & Associates, SANDAG Series 15 Regional Forecast, Cajon Valley Union School District.

Residential Fee Generation

To determine the impact per square foot of residential construction, the average student generation factor was compared to the average square footage of residential units anticipated to be constructed in the District.

Since each residential unit generates an average of .273 TK - 8th grade students for the District to house, each residential unit will generate .0002215 students per square foot (.273 students per unit divided by the average residential unit size of 1,232 sq. ft.). The cost to house students is \$19.97 per square foot of new residential construction (\$90,200 per student multiplied by the square foot student generation factor of .0002215 students). This cost impact is based on each new student requiring new facilities.

This calculation satisfies the requirements of *Shapell Industries, Inc. v. Governing Board of Milpitas Unified School District* (1991) 1 Cal.App.4th 218 ("*Shapell*"), as follows. The *Shapell* case requires that a fee justification study must involve the interrelation between three elements: (1) a projection of the total amount of new housing expected to be built within the District, (2) approximately how many students will be generated by the new housing, and (3) an estimate of what it will cost to provide the necessary school facilities for that approximate number of new students. As stated above, the projection of the total amount of unmitigated new housing units expected to be built within the District in the next five years is 590 units, which will generate an estimated 161 (590 x .273) new students. The estimated cost to house 161 students is \$14,522,200 (161 x \$90,200). Breaking that cost down among the total projected square footage of 727,010, yields a cost of \$19.97 per square foot of residential construction (\$14,522,200 / 727,010), as cited above.

Based on the residential fee generation calculations, each square foot of residential construction will create a school facility cost of \$19.97 per square foot for the District. However, the Level I Statutory fee is \$5.38 per square foot of residential construction and the District shares fees with the Grossmont Union High School District. The High School District collects 38 percent of the fee, and the Elementary District collects 62 percent of the fee. Therefore, the Cajon Valley Union School District is justified to collect \$3.34 (62 percent of \$5.38) per square foot of residential construction.

Commercial / Industrial Development and Fee Projections

In order to levy developer fees on commercial/industrial development, a district must conduct a study to determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the district. For the purposes of making this determination, the developer fee justification study shall utilize employee generation estimates that are calculated on either an individual project or categorical basis. Those employee generation estimates shall be based upon commercial/industrial factors within the district or upon, in whole or part, the applicable employee generation estimates as set forth in the January 1990 edition of "San Diego Traffic Generators," a report of the San Diego Association of Governments. (Education Code Section 17621) The initial study that was completed in January of 1990 (updated annually) identifies the number of employees generated for

every 1,000 square feet of floor area for several development categories. These generation factors are shown in Table 6.

Table 6 indicates the number of employees generated for every 1,000 square feet of development and the number of District households generated for every employee in 12 categories of commercial/industrial development. The number of District households is calculated by adjusting the number of employees for the percentage of employees that live in the District and are heads of households.

In addition, an adjustment in the formula is necessary so that students moving into new residential units that have paid residential fees are not counted in the commercial/industrial fee calculation. According to the 2020 United Census data, 22 percent of all employees in the District live in existing housing units. The 22 percent adjustment eliminates double counting the impact. This adjustment is shown in the worksheets in Appendix E and in Table 6.

The data in Table 7 is based on the per student costs shown in Table 4. These figures are multiplied by the student yield factor to determine the number of students generated per square foot of commercial/industrial development. To determine the school facilities square foot impact of commercial/industrial development shown in Table 7, the students per square foot are multiplied by the cost of providing school facilities. When these figures are compared to the cost to house students, it can be shown that each square foot of commercial/industrial development creates a cost impact greater than the maximum fee, with the exception of mini storage.

Table 6:
Commercial and Industrial Generation Factors

Type of Development	*Employees per 1,000 sf	Dist HH Per Emp.	***%Emp in Exist HH	Adj.%Emp Dist HH/Emp
Medical Offices	4.27	.2	.22	.044
Corporate Offices	2.68	.2	.22	.044
Commercial Offices	4.78	.2	.22	.044
Lodging	1.55	.3	.22	.066
Scientific R&D	3.04	.2	.22	.044
Industrial Parks	1.68	.2	.22	.044
Industrial/Business Parks	2.21	.2	.22	.044
Neighborhood Shopping Centers	3.62	.3	.22	.066
Community Shopping Centers	1.09	.3	.22	.066
Banks	2.82	.3	.22	.066
Mini-Storage	0.06	.2	.22	.044
Agriculture	0.31	.5	.22	.110

* Source: San Diego Association of Governments.

** Source: U.S. Census 2020.

Table 7:
Commercial and Industrial Facilities Cost Impact

Type of Development	Cost Impact Per Sq. Ft.
Medical Offices	\$4.63
Corporate Offices	\$2.90
Commercial Offices	\$5.18
Lodging	\$2.52
Scientific R&D	\$3.29
Industrial/Business Parks	\$1.82
Industrial/Com Park	\$2.39
Commercial Shopping Centers	\$5.88
Community Shopping Centers	\$1.77
Banks	\$4.58
Mini-Storage	\$0.07
Agriculture	\$0.84

*Sources: San Diego Association of Governments and Jack Schreder and Associates, Original Research.

Table 7 shows that all types of commercial/industrial development will create a square foot cost justifying a commercial/industrial fee. Thus, a reasonable relationship between commercial/industrial development and the impact on the District is shown. Based on this relationship, the levying of commercial/industrial developer fees is justified in the District.

Summary

A reasonable relationship exists between new residential and commercial/industrial development in the District and the need for new school facilities. This relationship is based on the finding that the District currently exceeds its facility capacity and will continue to do so through the 2030-2031 school year. New students to be generated by new residential development will have to be housed in new school facilities. The cost to provide additional school facilities exceeds the amount of residential and commercial/industrial fees to be generated directly and indirectly by residential construction.

The cost impact on the District imposed by new students to be generated from new residential and commercial/industrial development is greater than the maximum allowable fees, with the exception of mini storage. Each square foot of residential development creates a school facility cost of \$19.97 per square foot. Each square foot of commercial/industrial development creates a school facility cost ranging from \$0.07 to \$5.88 per square foot. The cost to provide additional school facilities exceeds the amount of residential and commercial/industrial fees to be generated directly and indirectly by residential construction. However, the District has a fee sharing agreement with the Grossmont Union High School District and the Level I statutory fee is \$5.38 per square foot of residential construction and \$0.87 per square foot of commercial/industrial construction. The High School District collects 38 percent of the fee, and the Elementary School District collects 62 percent of the fee. Therefore, the Cajon Valley Union School District is justified to collect \$3.34 (62 percent of \$5.38) per square foot of residential construction and \$0.54 (62 percent of \$0.87) per square foot of commercial/industrial construction, with the exception of mini storage. The mini storage category of construction should be collected at the rate of \$0.07 per square foot.

SECTION II: BACKGROUND OF DEVELOPER FEE LEGISLATION

Initially, the maximum allowable developer fee was limited by Government Code Section 65995 to \$1.50 per square foot of covered or enclosed space for residential development and \$0.25 per square foot of covered or enclosed space of commercial or industrial development. The maximum fee that can be levied is adjusted every two years, according to the inflation rate as listed by the state-wide index for Class B construction set by the State Allocation Board. In January 2026, the State Allocation Board increased the maximum fee to \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction. In January of 2028, the State Allocation Board will increase the maximum fees for residential and commercial/industrial construction.

The fees collected are to be used by the school district for the construction or reconstruction of school facilities and may be used by the district to pay bonds, notes, loans, leases, or other installment agreements for temporary as well as permanent facilities.

Assembly Bill 3228 (Chapter 1572/Statutes of 1990) added Government Code Section 66016 requiring districts adopting or increasing any fee to first hold a public hearing as part of a regularly scheduled meeting and publish notice of this meeting twice, with the first notice published at least ten days prior to the meeting.

Assembly Bill 3980 (Chapter 418/Statutes of 1988) added Government Code Section 66006 to require segregation of school facilities fees into a separate capital facilities account or fund and specifies that those fees and the interest earned on those fees can only be expended for the purposes for which they were collected.

Senate Bill 519 (Chapter 1346/Statutes of 1987) added Section 530.880.4 to the Government Code. Government Code Section 530.880.4 has been changed to Education Code Section 17625. It provides that a school district can charge a fee on manufactured or mobile homes only in compliance with all of the following:

1. The fee may be imposed only as to the initial installation of the manufactured or mobile home in the school district.

2. A manufactured or mobile home must not have been located previously on the pad where the manufactured or mobile home is to be installed.
3. The construction of the pad where the manufactured or mobile home is to be located must have commenced after September 1, 1986.

Senate Bill 1151 (Chapter 1037/Statutes of 1987) concerns agricultural buildings and added Section 530.880.15 to the Government Code. Government Code Section 530.880.15 has been changed to Education Code Section 17622. It provides that no school fee may be imposed and collected on a greenhouse or other space covered or enclosed for agricultural purposes unless the school district has made findings supported by substantial evidence as follows:

1. The amount of the fees bears a reasonable relationship and is limited to the needs for school facilities created by the greenhouse or other space covered or enclosed for agricultural purposes.
2. The amount of the fee does not exceed the estimated reasonable costs of the school facilities necessitated by the structures as to which the fees are to be collected.
3. In determining the amount of the fees, the school district shall consider the relationship between the proposed increase in the number of employees, if any, the size and specific use of the structure, as well as the cost of construction.

In order to levy developer fees, a study is required to assess the impact of new growth and the ability of the local school district to accommodate that growth. The need for new school construction and reconstruction must be determined along with the costs involved. The sources of revenue need to be evaluated to determine if the district can fund the new construction and reconstruction. Finally, a relationship between needs and funding raised by the fee must be quantified.

Assembly Bill 155 (Chapter 1109/Statutes of 1989) which became effective October 2, 1989, was enacted to clarify several areas of developer fee law. Assembly Bill 155 provisions include the following:

1. Exempts residential remodels of less than 500 square feet from fees.
2. Prohibits the use of developer fee revenue for routine maintenance and repair, most asbestos work, and deferred maintenance.
3. Allows the fees to be used to pay for the cost of performing developer fee justification studies.
4. States that fees are to be collected at the time of occupancy unless the district can justify earlier collection. The fees can be collected at the time the building permit is issued if the district has established a developer fee account and funds have been appropriated for which the district has adopted a proposed construction schedule or plan prior to the issuance of the certificate of occupancy.
5. Clarifies that the establishment or increase of fees is not subject to the California Environmental Quality Act.
6. Clarifies that the impact of commercial/industrial development may be analyzed by categories of development as well as an individual project-by-project basis. An appeal process for individual projects would be required if an analysis were to be done by categories.
7. Changes the frequency of the annual inflation adjustment on the maximum fee to every two years.
8. Exempts from fees - development used exclusively for religious purposes, private schools, and government-owned development.
9. Expands the definition of senior housing, which is limited to the commercial/industrial fee cap and requires the conversion from senior

housing to be approved by the city/county after notification of the school district.

10. Extends the commercial/industrial fee cap to mobile-home parks limited to older persons.

SECTION III: REVENUE SOURCES FOR FUNDING FACILITIES

Two general sources exist for funding facility construction and reconstruction - state sources and local sources. The District has considered the following available sources:

State Sources

State Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August of 1998. The new program, entitled the School Facility Program, provides funding under a “grant” program once a school district establishes eligibility. Funding required from districts will be a 50/50 match for construction projects and 60/40 (State/District) match for modernization projects. Districts may levy the current statutory developer fee as long as a district can justify collecting that fee. If a district desires to collect more than the statutory fee (Level 2 or Level 3), that district must meet certain requirements outlined in the law, as well as conduct a needs assessment to enable a higher fee to be calculated.

The District plans to consider all State Facility Funding sources to improve facilities.

Local Sources

Mello-Roos Community Facilities Act

The Mello-Roos Community Facilities Act of 1982 allows school districts to establish a community facilities district in order to impose a special tax to raise funds to finance the construction of school facilities.

1. The voter approved tax levy requires a two-thirds vote by the voters of the proposed Mello-Roos District.
2. If a Mello-Roos District is established in an area in which fewer than twelve registered voters reside, the property owners may elect to establish a Mello-Roos District.

The District has not established a community facilities district and does not collect funds under the Mello-Roos Community Facilities Act

General Obligation Bonds

General Obligation (GO) bonds may be issued by any school district for the purposes of purchasing real property or constructing or purchasing buildings or equipment "of a permanent nature." Because GO bonds are secured by an ad valorem tax levied on all taxable property in the district, their issuance is subject to two-thirds voter approval or 55% majority vote under Proposition 39 in an election. School districts are obligated, in the event of delinquent payments on the part of the property owners, to raise the amount of tax levied against the non-delinquent properties to a level sufficient to pay the principal and interest coming due on the bonds.

The District does not currently have bonds to expend on new construction or modernization projects.

Developer Fees

District developer fees are dedicated to the modernization and new construction needs of school facilities due to the impact of students generated from new development.

School District General Funds

The District's general funds are needed by the District to provide for the operation of its instructional program.

SECTION IV: REQUIREMENTS OF AB 1600

Assembly Bill 1600 (Chapter 927/Statutes of 1987) adds Section 66000 through 66003 to the Government Code:

Section 66000 defines various terms used in AB 1600:

"Fee" is defined as monetary exaction (except a tax or a special assessment) which is charged by a local agency to the applicant in connection with the approval of a development project for the purpose of defraying all or a portion of the costs of public facilities related to the development project.

"Development project" is defined broadly to mean any project undertaken for purposes of development. This would include residential, commercial, or industrial projects.

"Public facilities" is defined to include public improvements, public services, and community amenities.

Section 66001(a) sets forth the requirements for establishing, increasing, or imposing fees. Local agencies are required to do the following:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Assembly Bill 1600 as Related to the Justification for Levying Developer Fees

Effective January 1, 1989, Assembly Bill 1600 requires that any school district which establishes, increases, or imposes a fee as a condition of approval of development shall make specific findings as follows:

1. A cost nexus must be established. A cost nexus means that the amount of the fee cannot exceed the cost of providing adequate school facilities for students generated by development. Essentially, it prohibits a school district from charging a fee greater than their cost to construct or reconstruct facilities for use by students generated by development.
2. A benefit nexus must be established. A benefit nexus is established if the fee is used to construct or reconstruct school facilities benefiting students to be generated from development projects.
3. A burden nexus must be established. A burden nexus is established if a project, by the generation of students, creates a need for additional facilities or a need to reconstruct existing facilities.

SECTION V: ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

Establishment of a Cost Nexus

The District chooses to construct and/or reconstruct facilities for the additional students created by development in the District and the cost for providing new and/or reconstructed facilities exceeds the amount of developer fees to be collected. It is clear that when educational facilities are provided for students generated by new residential and commercial/industrial development the cost of new facilities exceeds developer fee generation, thereby establishing a cost nexus.

Establishment of a Benefit Nexus

Students generated by new residential and commercial/industrial development will be attending District schools. Housing District students in new and/or reconstructed facilities will directly benefit those students from the new development projects upon which the fee is imposed, therefore, a benefit nexus is established.

Establishment of a Burden Nexus

The generation of new students by development will create a need for additional and/or reconstructed school facilities. The District must carry the burden of constructing new facilities required by the students generated by future developments and the need for facilities will be, in part, satisfied by the levying of developer fees, therefore, a burden nexus is established.

SECTION VI: FACILITY FUNDING ALTERNATIVES

The District does not currently have funds to provide for the shortfall in housing costs. We suggest that the District continue to pursue State School Facility Program funds.

STATEMENT TO IDENTIFY PURPOSE OF FEE

It is a requirement of AB 1600 that the District identify the purpose of the fee. The purpose of fees being levied shall be used for the construction and/or modernization of school facilities. The District will provide for the construction and/or modernization of school facilities, in part, with developer fees. The District also plans to provide additional adequate core facilities, as needed, to accommodate students generated from new development. In addition, the District will use developer fees to maintain its existing level of service through modernization funds.

ESTABLISHMENT OF A SPECIAL ACCOUNT

Pursuant to Government Code section 66006, the District has established a special account in which fees for capital facilities are deposited. The fees collected in this account

will be expended only for the purpose for which they were collected. Any interest income earned on the fees that are deposited in such an account must remain with the principal. The school district must make specific information available to the public within 180 days of the end of each fiscal year pertaining to each developer fee fund. The information required to be made available to the public by Section 66006 (b) (1) was amended by SB 1693 and includes specific information on fees expended and refunds made during the year.

RECOMMENDATION

Based on the fee justification provided in this report, it is recommended that the Cajon Valley Union School District levy residential development fees and commercial/industrial fees up to the statutory fee for which justification has been determined.

SOURCES

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Office of Public School Construction. Leroy F. Greene School Facilities Act, 1998.

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SANDAG Series 15 Regional Forecast.

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APPENDIX A
DISTRICT CAPACITY

CAJON VALLEY UNION SCHOOL DISTRICT

School Site	Capacity	Enrollment
Anza Elem	772	712
Avocado Elem	578	565
Blossom Valley Elem	482	539
Bostonia Global (Broadway)	821	787
Bostonia Global (Emerald)	291	232
Cajon Valley Middle	1093	1071
Chase Ave Elem	674	764
Crest School	305	293
Flying Hills School of Arts	587	751
Fuerte Elem	671	677
Greenfield Middle	721	741
Hall (W.D) Elem	532	571
Hillsdale Middle	1295	1479
Jamacha Elem	439	371
Johnson Elem	840	818
Lexington Elem	840	858
Los Coches Creek Middle	582	456
Madison Elem	652	680
Magnolia Elem	686	738
Meridian Elem	576	608
Montgomery Middle	775	931
Naranca Elem	685	897
Rancho San Diego Elem	507	500
Rios Elem	288	260
Vista Grande Elem	598	643
Totals	16,290	16,942

APPENDIX B
ENROLLMENT PROJECTION

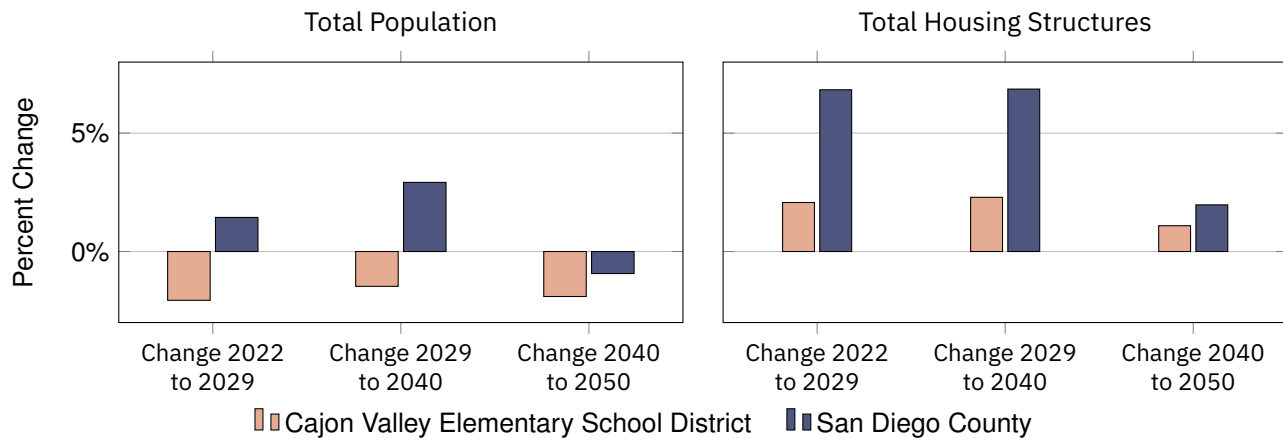
APPENDIX C
PROJECTED DEVELOPMENT

Series 15 Regional Forecast

Cajon Valley Elementary School District

Population and Housing

	2022	2029	2040	2050	2022 to 2050 Change	
					Numeric	Percent
Total Population	169,654	166,162	163,722	160,614	-9,040	-5.3%
Household	166,564	163,167	160,680	157,798	-8,766	-5.3%
Group Quarters	3,090	2,995	3,042	2,816	-274	-8.9%
Civilian	3,090	2,995	3,042	2,816	-274	-8.9%
Military	0	0	0	0	0	N/A
Total Housing Units	59,428	60,661	62,050	62,725	3,297	5.5%
Single Family	29,223	30,231	30,852	30,955	1,732	5.9%
Multiple Family	24,336	24,561	25,329	25,901	1,565	6.4%
Mobile Home	5,869	5,869	5,869	5,869	0	0.0%
Total Households	57,617	58,474	59,812	60,396	2,779	4.8%
Single Family	28,401	29,202	29,768	29,821	1,420	5.0%
Multiple Family	23,477	23,549	24,321	24,852	1,375	5.9%
Mobile Home	5,739	5,723	5,723	5,723	-16	-0.3%
Vacancy Rate	3.0%	3.6%	3.6%	3.7%	0.7%	23.3%
Single Family	2.8%	3.4%	3.5%	3.7%	0.9%	32.1%
Multiple Family	3.5%	4.1%	4.0%	4.1%	0.6%	17.1%
Mobile Home	2.2%	2.5%	2.5%	2.5%	0.3%	13.6%
Persons per Household	2.89	2.79	2.69	2.61	-0.28	-9.7%



Data Source and Important Advisory:

The Series 15 Regional Growth Forecast was accepted by the SANDAG Board of Directors in April 2024 for distribution and use in planning and other studies. This forecast represents one possibility for future growth in the San Diego region. It is intended to represent a likely prediction of future growth, but it is not intended to be a prescription for growth. This forecast represents a combination of economic and demographic projections, existing land use plans and policies, and potential land use plan changes that may occur in the region over the forecast period.

These data represent business as usual projections and do not include the policy and investment decisions made by the SANDAG Board of Directors in the 2025 Regional Plan/Sustainable Communities Strategy. For subregional data consistent with the 2025 Regional Plan, please contact SANDAG at data@sandag.org.

APPENDIX D
CONSTRUCTION COSTS

Elementary School Facility Construction Costs - Permanent Construction		
I. Allowable Building Area		
	A. Total Student Capacity	
	B. Building Area	
	600 students @ 71sf/student	42,600
	Total	42,600
II. Site Requirements		
	A. Purchase Price of Property (10 Acres)	
	Cost per Acre	\$0
	B. Appraisals	\$0
	C. Costs Incurred in Escrow	\$0
	D. Surveys	\$0
	E. Other Costs, Geo. and Soils Reports	<u>\$0</u>
	Total-Acquisition of Site	\$0
III. Plans		
	A. Architect's Fee for Plans	\$3,638,079
	B. DSA Plans Check Fee	\$282,962
	C. School Planning, Plans Check Fee	\$12,000
	D. Preliminary Tests	\$10,000
	E. Other Costs, Energy Cons. & Advertising	<u>\$121,269</u>
		\$4,064,310
IV. Construction Requirements		
	A. Utility Services	\$871,131
	B. Off-site Development	\$1,289,274
	C. Site Development, Service	\$2,055,870
	D. Site Development, General	\$1,358,965
	E. New Construction	\$34,845,255
	F. Unconventional Energy Source	<u>\$2,605</u>
	Total Construction	\$40,423,101
	Total Items II, III and IV	\$44,487,411
	Contingency 10%	\$4,448,741
	Construction Tests	\$303,173
	Inspection	\$404,231
	TOTAL ESTIMATED PROJECT COSTS	\$49,643,556
	ESTIMATED COST PER STUDENT	\$82,739
<i>*Source: Cumming Group, Project Management and Cost Consulting.</i>		

Middle School Facility Construction Costs - Permanent Construction		
I. Allowable Building Area		
	A. Total Student Capacity	
	B. Building Area	
	1000 students @ 85sf/student	85,000
	Total	85,000
II. Site Requirements		
	A. Purchase Price of Property (20 Acres)	
	Cost per Acre	\$0
	B. Appraisals	\$0
	C. Costs Incurred in Escrow	\$0
	D. Surveys	\$0
	E. Other Costs, Geo. and Soils Reports	<u>\$0</u>
	Total-Acquisition of Site	\$0
III. Plans		
	A. Architect's Fee for Plans	\$7,897,526
	B. OSA Plans Check Fee	\$614,252
	C. School Planning, Plans Check Fee	\$10,611
	D. Preliminary Tests	\$11,789
	E. Other Costs, Energy Cons. & Advertising	<u>\$146,372</u>
		\$8,680,551
IV. Construction Requirements		
	A. Utility Services	\$1,610,097
	B. Off-site Development	\$1,829,656
	C. Site Development, Service	\$4,976,664
	D. Site Development, General	\$3,586,125
	E. New Construction	\$73,186,230
	F. Unconventional Energy Source	<u>\$2,561,518</u>
	Total Construction	\$87,750,289
	Total Items II, III and IV	\$96,430,840
	Contingency	\$9,643,084
	Construction Tests	\$658,127
	Inspection	\$877,503
	TOTAL ESTIMATED PROJECT COSTS	\$107,609,554
	ESTIMATED COST PER STUDENT	\$107,610
<i>*Source: Cumming Group, Project Management and Cost Consulting.</i>		

APPENDIX E

**COMMERCIAL/INDUSTRIAL
CALCULATIONS**

Cajon Valley Union School District						
Commercial/Industrial Calculations						
	EMP/ 1000 SQ.FT	DIST.HH/ EMP	HH/SF	% EMP IN EXIST HH	ADJUSTED HH/SF	ADJ % DIST HH/EMP
MEDICAL	4.27	0.2	0.000854	0.22	0.00018788	0.044
CORP. OFFICE	2.68	0.2	0.000536	0.22	0.00011792	0.044
COM. OFFICE	4.78	0.2	0.000956	0.22	0.00021032	0.044
LODGING	1.55	0.3	0.000465	0.22	0.0001023	0.066
R&D	3.04	0.2	0.000608	0.22	0.00013376	0.044
IN. PARK	1.68	0.2	0.000336	0.22	0.00007392	0.044
IN/COM PARK	2.21	0.2	0.000442	0.22	0.00009724	0.044
NBHD COMM SC	3.62	0.3	0.001086	0.22	0.00023892	0.066
COMMUNITY SC	1.09	0.3	0.000327	0.22	0.00007194	0.066
BANKS	2.82	0.3	0.000846	0.22	0.00018612	0.066
MINI-STORAGE	0.06	0.2	0.000012	0.22	0.00000264	0.044
AGRICULTURE	0.31	0.5	0.000155	0.22	0.0000341	0.110
STUDENT GENERATION RATE			COST PER STUDENT			
TK-8	0.273		TK-8	\$90,200		
STUDENTS PER SQUARE FOOT						
(YIELD FACTORS X ADJ HH/SQ. FT IN COLUMN F)						
	K-8					
MEDICAL	0.000051					
CORP. OFFICE	0.000032					
COM. OFFICE	0.000057					
LODGING	0.000028					
R&D	0.000037					
IN. PARK	0.000020					
IN/COM PARK	0.000027					
COM. SC.	0.000065					
COMMUNITY SC	0.000020					
BANKS	0.000051					
MINI STORAGE	0.000001					
AGRICULTURE	0.000009					
COSTS PER SQUARE FOOT						
(STUDENTS/ SQ. FOOT X STUDENT COST/SQ. FOOT IN EACH CATEGORY)						
	TK-8					
MEDICAL	\$4.63					
CORP. OFFICE	\$2.90					
COM. OFFICE	\$5.18					
LODGING	\$2.52					
R&D	\$3.29					
IN. PARK	\$1.82					
IN/COM PARK	\$2.39					
COM. SC.	\$5.88					
COMMUNITY SC	\$1.77					
BANKS	\$4.58					
MINI STORAGE	\$0.07					
AGRICULTURE	\$0.84					