

Rio School District

DEVELOPER FEE JUSTIFICATION STUDY & SCHOOL FACILITIES NEEDS ANALYSIS

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**Rio School District
Developer Fee Justification Study and School Facilities Needs Analysis**

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Rio School District Developer Fee Justification Study and School Facilities Needs Analysis

I. INTRODUCTION

The following information represents the statutory requirements pursuant to Senate Bill 50 (“SB 50”) or other collateral legislation for the Rio School District (“District”) Developer Fee Justification Study and School Facilities Needs Analysis (DFJS/SFNA).

The DFJS/SFNA was prepared by Consultant and staff pursuant to the requirements of SB 50,¹ and Government Code Section 65995 *et seq.*, both of which became effective on November 4, 1998. The DFJS/SFNA meets Government Code Section 66000 *et. seq.*, which requires that a reasonable relationship exist between the amount of residential, commercial and industrial fees, use of the fees and the development for which the fees are to be charged.

SB 50 provides authority to levy alternative fees in lieu of statutory developer fees, provided that the District meets the following requirements:

- “Level 1” Fees are statutory fees imposed pursuant to Education Code §§ 17630, *et.seq.*, and Government Code §§ 65995 *et. seq.*, up to the amount approved by the State Allocation Board (SAB). Level 1 fees must be supported through a justification study.
- “Level 2” Fees refer to alternative fees that can be imposed upon residential development provided that a school facility needs analysis is prepared. This fee purports to equal 50% of the cost of new construction, the other half being funded by the State School Facilities Program.
- “Level 3” Fees refer to alternative fees that can be imposed upon residential development provided that a school facility needs analysis is prepared and the State determines that new construction funding is not available. State funds are not available if the SAB is no longer approving apportionments for new construction pursuant to Article 5 (commencing with §17072.20) of Chapter 12.5 of Part 10 of the Education Code due to lack of funds available for new construction. Upon making a determination that state funds are no longer available, the SAB shall notify the Secretary of the Senate and the Chief Clerk of the Assembly, in writing, of the determination and the date when state funds are no longer available for publication in the respective journal of each house.

¹ Chapter 407; Statutes 1998

II. DISTRICT PROFILE

A. District Overview

The District is comprised of two jurisdictions: the City of Oxnard and Ventura County. A District map inclusive of the District's location and boundaries is set forth in Exhibit A. The District serves students in grades K through 8 and operates five (5) elementary schools (K-5), two (2) elementary schools (K-8), and two (2) middle schools (6-8).

Elementary (K-5)

- 1) Rio del Mar
- 2) Rio del Norte
- 3) Rio Lindo
- 4) Rio Plaza
- 5) Rio Rosales

K-8 Schools

- 1) Rio Real
- 2) Rio del Sol

Middle Schools

- 1) Rio del Valle
- 2) Rio Vista

B. Demographic Overview

The District September 2018 enrollments were 5,220 students in grades K-8. In comparison to the 2007/08 CBEDs enrollment of 4,297 (K-8) students, the current enrollment has grown by 923 students over the last 10 years. This equates to an annual average growth rate of 2.14%. New residential and commercial development has been one of the primary causes of student population increases. Currently, there are new residential houses being constructed today and new residential projects are moving through the planning process with the City and County which will cause the District to continue to grow. Therefore, the data set forth in this document justifies the need for existing and future school facilities.

III. SUMMARY OF FINDINGS

A. Justification of Level 2 Fees

The following is a justification of Level 2 fees based on Government Code Section 65995.

1. The District is eligible for Level 2 fees based on the following criteria:
 - a. The District has made a timely application to the State Allocation Board for new construction funding for which it is eligible and meets the eligibility requirements for new construction funding.
 - b. The District has 239 classrooms of which 73 are relocatable. Therefore, approximately 31% of the District teaching stations are relocatable.
 - c. The District has incurred debt in excess of 15% of current bonding capacity.
2. District school capacity is based on existing utilization of classrooms and related SB 50 regulations that exclude all portable classrooms above 25% of the number of permanent classrooms. The District has a current capacity for 5,214 students.
3. The District September 2018 enrollments are 5,220 students in grades K-8. Therefore, District K-8 enrollments exceed 2018 school capacity by 6 students and new classroom facilities will be required for enrollments generated by new residential development.
4. Planned new residential construction data and proposed future market absorption rates for new homes indicate that approximately 5 single family detached units, 697 single family attached units and 602 multi-family attached units are forecast to be constructed within the District over the next 5 years.
5. The projected average student yield rate for grades K-8 applicable to each infill new single family detached unit is 1.0, single family attached unit is 0.352, and multi-family unit is 0.235 K-8 students.
6. A total of 246 K-5 students, 146 6-8 students are projected from the 1,706 new residential homes planned to be constructed over the next five years.
7. The allowable costs for new school construction pursuant to SB 50 are \$23,550 per elementary school pupil, and \$24,966 per middle school pupil (State Grant 50% x 2). Allowable costs include additional allowable costs for automatic fire detection/alarm system and automatic sprinkler system.

8. In addition to school construction costs, site acquisition and additional site development costs can be included in allowable costs. The allowable site acquisition and additional site development costs are estimated to be \$5,144,345.
9. Based on a five-year historical analysis of new residential construction District-wide, the average new single-family detached unit size is 1,921 square feet, the average new single family attached unit size is 1,937 square feet, and the average new multi-family attached unit size is 1,003 square feet. Applying the average unit size to the number of planned residential units to be constructed, total projected new residential area is 1,963,500 square feet.
10. There are limited local funding sources available to finance capital improvements to K-8 school facilities that are needed to adequately house students projected to be generated by new residential construction. Potential local sources of funding may include: local G.O. Bonds, developer fees, revenue from surplus property disposition and other sources as applicable. However, available funds are required to house existing students within the District.

Therefore, based on the above findings and related information set forth in this report, Level 1 Statutory fees for residential and commercial development and Level 2 fees for residential development are justified and should continue to be levied as follows:

Level 1 Residential Fee	Level 2 Residential Fee	Level 3 Residential Fee (Optional)	Commercial / Industrial Fee
\$2.69 per sq. ft.	\$4.19 per sq. ft.	\$8.38 per sq. ft.	\$0.43 per sq. ft.

Note #1: Level 3 Fees may be levied under certain circumstances outlined in Section IV. below.

IV. DEVELOPER FEE OVERVIEW

SB 50² authorizes qualifying school districts to levy three different levels of developer fees for residential construction, as set forth in Government Code Sections 65995, 65995.5 and 65995.7. Only Level 1, Statutory fees, apply to commercial and industrial development.

² Chapter 407, Statutes 1998

A. Three Levels of Developer Fees

SB 50 established the legal process whereby builders of new homes may be required to pay for new, expanded or reconstructed school facilities to serve the new homes. The three-tier fee structure and corresponding fee levels are:

1. **Level 1 Fees (Statutory fees):** Statutory fee amounts are authorized to be adjusted for inflation every two years per the published statewide cost index for Class B construction, as determined by the State Allocation Board (SAB) at its January meeting. The current K-12 base statutory fee for new residential construction is \$3.79 per square foot, and \$0.61 per square foot for new commercial and industrial construction. The District collects 71% of K-12 statutory fees: \$2.69 for residential development and \$0.43 for commercial/industrial development
2. **Level 2 Fees:** The District may, under specific circumstances, impose fees beyond the Level One statutory fee. Government Code Section 65995.5 provides for an alternative school mitigation fee (“Alternative Fee”) that allows Districts to levy fees equivalent to approximately 50% of the cost of school construction including service site and some off-site costs.
3. **Level 3 Fees:** If the State Allocation Board declares that the State School Facilities Program has run out of bond funds, Level 3 fees may be implemented allowing the District to collect fees equivalent to approximately 100% of the cost of the required new, modernized or reconstructed school facilities, minus any local dedicated school funds.

V. SCHOOL FACILITIES NEEDS ANALYSIS AND ADOPTION

A. Content and Process

The DFJS/SFNA, as set forth herein, determines the need for new or reconstructed school facilities for pupils attributable to projected enrollment growth from new residential units over the next five-year period.

If applicable, the District will identify and consider: (1) surplus property, and (2) local sources other than developer fees, charges and dedications to finance the construction of school facilities attributable to new residential construction.

The DFJS/SFNA shall be made available for public review and comment 30 days prior to the District Board of Trustees conducting a public hearing, with notice of the hearing sent to each city and county within the District’s jurisdiction, and adopted by District Resolution at the duly noticed public hearing.

B. School Capacities

1. Existing School Capacity

Pursuant to SB 50, existing school capacity is determined by a teaching station methodology whereby each permanent teaching station is counted and loaded at the rate of 25 students per classroom for grades kindergarten through sixth and 27 students per classroom for grades 7-8 and 9-12. Pursuant to Education Code Section 17071.30(b), the maximum number of portable classrooms included within the capacity calculation shall not exceed 25% of the number of permanent classrooms.

Set forth in the following **Table 1** is the District 2018 capacity, which was derived from an analysis of existing District classroom grade level configurations. The District new construction baseline was established in 1999, since that time, the District has changed grade level configuration at one of its school sites. The following reflects the current District usage of school sites and related classrooms.

Table 1
Existing School Site Capacity

Grade Level	Permanent ¹ Classrooms	Portable ¹ Classrooms	Eligible Portables 25% of Perm Classrooms	Excludable Portables per SB 50	Total Eligible Classrooms Perm & Port	Classroom Loading	SB 50 Capacity
K-5	103	53	26	27	129	25	3,225
K-5 NS SDC	4	2	1	1	5	13	65
6	13	4	3	1	16	25	400
7-8	44	13	11	2	55	27	1,485
6-8 NS SDC	2	1	1	0	3	13	39

¹Classroom inventory does not include rooms used for alternative purposes, i.e., administrative, RSP, Intervention, and preschool.

2. Available School Capacity

Potential available school capacity for students generated by new residential development is determined by overlaying the District September 2018 enrollments with the District 2018 capacity.

As set forth in the following **Table 2**, the District 2018 K-5 enrollments exceed capacity by 207 students, and 6-8 enrollments are under capacity by 201 middle school pupils. Therefore, the District is over capacity by 6 students, District-wide.

District 2015/16 Available Classroom Capacity
Table 2

Grade Level	Enrollments (9/2018)	2018 Capacity	Projected Available Capacity
K-5	3,497	3,290	-207
6-8	1,723	1,924	201
Total K-8	5,220	5,214	-6

C. Demographics

1. Projected Development

Future levels of residential development will primarily be determined by the supply and demand for new homes in the area. As economic trends change so will the need for new housing.

The following **Table 3** sets forth the current five year projected new residential development.

5-Year Projected New Residential Development

Table 3

5-Year Projected New Residential Development Projects	Single-Family Detached Units	Single-Family Attached Units	Multi-Family Units
City of Oxnard			
Rio Urbana		182	
Wagon Wheel Development		515	602
City of Oxnard Infill	5		
Total Projected Units	5	697	602

Note: Some development may be under a mitigation agreement and is included for capacity and cost projections purposes only. East Village III (Maulhardt) is in preliminary discussions with City of Oxnard and is currently proposing 62 SFD, 388 SFA/MFA with up to a proposed 450 units. It is not included due to current status of project.

2. Student Yield Rates

Student yield rates are the average number of students that are generated by each new housing unit. Student yield rates determined for the 2016 SFNA/DFJS were utilized as minimal development in infill SFD, SFA and MFA have been constructed and occupied since 2016 analysis. **Table 4** sets forth the District yield rates.

Student Yield Rates

Table 4

Housing Type	K-5	6-8	K-8
Single Family Detached Unit (SFD)	0.5	0.5	0.1
Single Family Attached Unit (SFA)	0.198	0.154	0.352
Multi-Family Unit (MFA)	0.174	0.061	0.235

Note: Single Family Detached unit yield rates are based on infill homes constructed within the City of Oxnard as the projected single family detached homes included in analysis are projected to be infill within City of Oxnard.

3. Enrollments from New Residential Development

As set forth in the following **Table 5**, new residential development projected over the next five years will yield approximately 246 K-5 students and 146 6-8 students. The District is currently over capacity by 6 students District-wide. Therefore, the projected K-8 students will be considered “un-housed” (available 6-8 capacity may be used to house existing K-5 students over capacity at K-8 schools).

Enrollments Generated by Projected Residential Units without Permits

Table 5

2019 to 2024 5-Year Projected Buildout	Projected Units	Student Yield Rates ¹			Projected Students		
		K-5	6-8	K-8	K-5	6-8	K-8
Single Family Detached	5	0.5	0.5	1.0	3	2	5
Single Family Attached	697	0.198	0.154	0.352	138	107	245
Multi-Family (Apts)	602	0.174	0.061	0.235	105	37	142
Total	1,706				246	146	392

4. New Residential Square Footage

A five-year analysis conducted of historical building permits issued and constructed within the District found that the average size of a new single family detached home is 1,921 square feet, the average size of a new single family attached home is 1,937 and the average size of a new multi-family attached home is 1,003 square feet. Using average residential square footages, the following **Table 6** sets forth the projected square footage of new residential units to be constructed over the next five years.

**Projected New Residential Square Footage
Table 6**

Type of Dwelling Unit	Avg. Sq. Footage per Dwelling Unit	Projected New Residential Units	Projected Square Footage
Single Family Detached (SFD)	1,921	5	9,605
Single Family Attached (SFA)	1,937	697	1,350,089
Multi-Family Attached (MFA)	1,003	602	603,806
Total			1,963,500

D. Allowable Cost and Fees

Education Code Section 17072.10 establishes allowable cost factors for school construction that are used to determine the appropriate developer fee for new residential development. The cost factors set forth below were developed on a per-student basis and are based on District's estimated new school construction costs to adequately house students in the District.

1. Site Acquisition Costs

The California Department of Education (CDE) sets forth the required school site sizes for K-12 in the "Guide to School Site Analysis and Development, 2000 Edition." As identified in the following **Table 7**, the District average elementary school size is 500 students and the average middle school is 1,000 students, which was used to determine recommended CDE site size. However, the actual cost calculation utilized is based on students projected from new development and reflects site acquisition costs for specific amount of land needed to house projected un-housed students from new residential development regardless of current site size.

The average cost of land was determined to be approximately \$690,850 per acre based on a review of developed school-sized parcels available in the City of Oxnard. In addition, the District is allowed to include costs up to 4% of actual purchase price of land for escrow, Phase I, and Preliminary Endangerment Assessment (PEA).

Using the CDE Guide for school sites and projected un-housed students from new residential development, the projected site acquisition needs and costs were determined in Table 7.

Estimated Site Acquisition Costs
Table 7

	Elementary School K-5	Middle School 6-8	Total K-8
Master Plan Enrollments	500	1000	
CDE Recommended Site Size (acres)	10.1	15	
Estimated Cost per Acre for Land ¹	\$ 690,850	\$ 690,850	
Total Estimated Cost for Land	\$ 6,977,585	\$ 10,362,750	
4% Add'l Costs for Site Acquisition	\$ 279,103	\$ 414,510	
Total Estimated Site Acquisition Costs	\$ 7,256,688	\$ 10,777,260	
Total Projected Land Needs based on Projected Un-housed Students			
Projected Un-housed Students	246	146	
Estimated Land Needed (acres)	4.97	2.19	
Estimated Site Acquisition Costs	\$ 3,570,865	\$ 1,573,480	\$ 5,144,345

¹Estimate only; land prices will be dependent on market demands at time of purchase.

2. Construction Costs

Construction costs are derived from the OPSC new construction per-pupil grant for K-12 students. The grants are \$11,775 for elementary pupils and \$12,483 for middle school pupils (includes additional allowable grants for automatic fire detection/alarm system and automatic sprinkler system). The OPSC construction grants are 50% of total cost to construct school facilities per pupil. Therefore, the total estimated construction cost per elementary pupil is \$23,550 and middle school pupil is \$24,966 as set forth in **Table 8**.

Estimated Construction Costs for New School Facilities (based on OPSC Grants 2018)**Table 8**

Type of State Funding	Elementary School (K-5)	Middle School (6-8)
Per pupil Grant	\$11,567	\$12,234
Fire Detection/Alarm Grant	\$14	\$19
Sprinklers Grant	\$194	\$230
Est. State Grant/Cost per Pupil (50%)	\$11,775	\$12,483
Est. District Cost per Pupil (50%)	\$11,775	\$12,483
Total Estimated Construction Cost per Pupil (100%)	\$23,550	\$24,966
Projected Un-housed Pupils from New Homes	246	146
Total Est. Construction Costs for Projected Un-housed Pupils (100%)	\$5,793,300	\$3,645,036
Total K-8	\$9,438,336	

Note: The costs above do not include the yearly increasing costs for school construction. Be advised the CPI rate is currently increasing between 5-10% a year.

3. Additional Site Development Costs

The State construction cost calculation also includes costs for Service site development, Off-site development and Utilities (additional site development costs). An analysis of the District school sites construction under School Facilities Program, determined an additional site development per acre cost of \$262,861 based on the midpoint value of Rio Vista MS as shown in **Table 9**.

Estimated Additional Site Development Costs**Table 9**

K-8 School Site	OPSC Approved Add'l Site Development Costs (100%)	2018 Add'l Site Development Costs (adjusted to 2018 Construction Cost Index) 100%	Site Acres	Estimated Add'l Site Development Costs per Acre
Riverpark ES East	\$1,121,682	\$1,893,197	10.10	\$187,445
Rio Rosales ES	\$1,221,144	\$1,839,092	9.63	\$190,975
Rio Vista MS	\$3,285,496	\$4,410,806	16.78	\$262,861
Rio Del Sol (2018) ¹	\$7,679,270	NA	11.54	\$665,448
Projected Add'l Site Development Cost for New School per Acre				\$262,861

Note: Site development costs vary depending on location, availability of utilities etc.

¹Rio Del Sol is based on actual costs. Funding application is complete and has been accepted by OPSC. Application is pending review and final approval by SAB.

Using CDE guidelines for site acreage requirements for elementary school sites, it was determined that the projected 246 un-housed K-5 students from new residential development will require approximately 4.97 acres, and the projected 146 un-housed 6-8 students from new residential development will require approximately 2.19 acres. Therefore, the total estimated additional site development cost for projected un-housed K-5 students is \$1,306,419, and the total estimated additional site development cost for projected un-housed 6-8 students is \$575,666 as shown in **Table 10**.

Additional Site Development Costs per Student
Table 10

Grade Level	Required Acres	Estimated Additional Site Development Costs per Acre	Estimated Additional Site Development Costs
K-5	4.97	\$262,861	\$1,306,419
6-8	2.19	\$262,861	\$ 575,666
Total			\$1,882,085

4. Total Estimated Costs to House Students from New Residential Development

As set forth in the following **Table 11**, the total allowable costs for new construction are \$16,464,766 for projected K-8 students from new residential development over the next five years.

Total Estimated Costs to House Students from New Residential Development
Table 11

Type of Cost	K-5	6-8	K-8
Site Acquisition and Related Fees	\$3,570,865	\$1,573,480	\$5,144,345
Cost to Construct New School Buildings	\$5,793,300	\$3,645,036	\$9,438,336
Additional Site Development Costs	\$1,306,419	\$ 575,666	\$1,882,085
Total New Construction Costs for Projected Students	\$10,670,584	\$5,794,182	\$16,464,766

E. Calculation of Level 1 Residential Fees

Based upon the total estimated school facilities costs for new construction, the District is projected to have a capital facilities funding shortfall of \$16,464,766. When the shortfall amount is divided by the total estimated square footage projected from new residential development, the District's projected capital facilities funding shortfall is \$8.38 per square foot of new residential development as set forth in **Table 12**.

Therefore, the District is justified in levying a District K-8 portion of Level 1 Statutory Fee in the amount of \$2.69 per square foot of new residential construction.

**Capital Facilities Funding Shortfall
Table 12**

	Developer Fee Calculation
Total Capital Facilities Funding Required to House Projected Students	\$16,464,766
Total Estimated Sq. Footage from New Residential Development	1,963,500
Capital Facilities Funding Shortfall per Square Foot of Residential Development	\$8.38

F. Level 2 and 3 Fee per Square Foot Determination

1. Net Projected Construction Cost

The formula used to calculate the Level 2 fee includes a reduction of total construction costs by other local funds that are not committed to providing school facilities for existing students. These funds include Level 1 fees, G.O. bonds, available surplus property, etc.

At this time, all Level 1 fees and other available funds are currently committed to existing schools sites in order to provide adequate housing and facilities for existing students.

2. Level 2 and 3 Fee Calculation

Utilizing the data provided above, the Level 2 and 3 fees per square foot for new residential development were determined based on 50% of total estimated construction costs and total projected square footage from projected new development in the City of Oxnard as shown in **Table 13**.

**Level 2 Fee Calculation
Table 13**

Projected New Residential Units	50% of Total Estimated Construction Costs for New School Facilities	Total Projected Square Footage from New Residential Development	Level 2 Fee (per sq. foot)	Level 3 Fee (per Sq. foot)
1,304	\$8,232,383	1,963,500	\$4.19	\$8.38

VI. COMMERCIAL AND INDUSTRIAL FEE JUSTIFICATION

The current maximum fee for commercial/industrial development authorized by Government Code Section 65995 is \$0.61 per square foot (K-12), the District K-8 portion is \$0.43 (71%). The rationale for assessing developer fees on commercial/industrial construction is based on the relationship between new residential construction and the resulting demand for commercial/industrial businesses to employ the new residents. The following analysis presents the relationship that exists between commercial/industrial development and the need for additional school facilities in the District.

A. Employee Generation Rates for Residential Development

The 2010 Census identified a total of 10,305 housing units and the American Community Survey 2007-2011 (ACS) identified 16,725 workers 16 years and older in the District's Census Tracts. This represents a ratio 1.62 of workers per housing unit. Based on this ratio, it is anticipated that each new unit of residential construction within the District will generate 1.62 employees.

B. District Resident Employees

A certain percentage of the employees living within the District will work in the District and some employees will commute to jobs outside the District. To estimate the percentage of employees that both live and work in the District, travel time to work as identified by the American Community Survey 2007-2011 is used. According to the ACS, 33% of all workers 16 years and older in the District's Census Tracts have a commute to work of less than 15 minutes. For purposes of this analysis, a travel time of less than 15 minutes is used to represent an employee that both lives and works within the District. The District-resident employee ratio is therefore expressed as 0.33.

C. Employee Impact Per Unit of Residential Construction

The employee to housing unit ratio of 1.62 and the District-resident employee ratio of 0.33 when multiplied, show that each new unit of residential construction within the District will generate 0.53 District-resident employees.

D. Commercial/Industrial Square Footage Per Employee

The commercial/industrial square footage per employee, or employee density, is dependent on the type of commercial/industrial use. For instance professional or office uses generally have higher employee densities than warehouse or industrial uses. Assembly Bill 181 recognized the variability in employee densities among the different types of commercial/industrial uses by allowing school districts to group development into categories and assess a fee based on specific employee densities. Assembly Bill 530 provided that school districts may choose to utilize employee density standards such as those identified by the San Diego Association of Governments (SANDAG). The SANDAG employee densities are set forth in Table 15.

E. Commercial/Industrial Square Feet Per Residential Unit

The square feet per specific category of commercial/industrial development attributable to residential development is estimated by multiplying the District-resident employee ratio of 0.53 by the employee densities in Table 15. The number of commercial/industrial square feet generated per new housing unit is not cumulative across all employee densities; each unit generates commercial/industrial development in only one density category. It is assumed that in housing units containing more than one worker, all workers are employed in the same development category. Table 15 shows that each new residential unit generates the need for between 132.5 and 7,950 square feet of commercial/industrial development depending on the development category.

F. Commercial/Industrial Fee Generated Per Housing Unit

The commercial/industrial fee generated per unit of residential construction can be determined by multiplying the commercial/industrial square footage generated per residential unit by the maximum fee of \$0.43 (District portion of \$0.61) per square foot. Table 15 shows that each new housing unit will generate between \$56.98 and \$3,418.50 in commercial/industrial fees depending on the development category.

G. Maximum Justified Fee

A nexus is reached when the combined residential and commercial/industrial fees equal the school facility costs created per unit of residential construction. As set forth in **Table 14** below, each unit of residential construction will generate a K-12 facility funding shortfall of \$6,310.

Projected School Facility Cost per Housing Unit

Table 14

Projected Cost to House New Students	Projected Number of Residential Units	Estimated Facilities Cost per Residential Unit ¹	Projected Residential Fee per Residential Unit ²	Est. Facility Funding SHORTFALL per Residential Unit
\$16,464,766	1,304	\$12,626	\$6,310	\$6,316

Note: Numbers have been rounded.

¹Estimated Costs based on DFJS/SFNA.

²Projected Residential Fee per Unit based on average square footage 1506 multiplied by \$4.19 per square foot.

As set forth in **Table 15** below all categories of commercial/industrial development, result in a maximum justified fee exceeding the K-8 pro-rata fee rate of \$0.43 (71% of \$0.61) per square foot as authorized by Government Code Section 65995. Based on this finding, the District is justified in levying a commercial/industrial fee of \$0.43 on all commercial/industrial development.

Commercial/Industrial Fee Analysis

Table 15

Development Category	Employee Density		District-Resident Per Unit Ratio ^(b)	C/I Sq. Ft. Per Housing Unit ^(c)	C/I Fee Generated Per Housing Unit @ \$0.43 Per Sq. Ft.	Shortfall per Residential Unit ^(d)	Maximum Justified C/I Fee Per Sq. Ft. ^(e)
	Employees per 1,000 Sq. Ft. ^(a)	Sq. Ft. Per Employee ^(a)					
Office	2.0	500	0.53	265	\$ 113.95	\$ 6,316	\$ 23.83
Retail/Service	2.0	500	0.53	265	\$ 113.95	\$ 6,316	\$ 23.83
Light Industrial	1.05	950	0.53	503.5	\$ 216.51	\$ 6,316	\$ 12.54
Heavy Industrial	4	250	0.53	132.5	\$ 56.98	\$ 6,316	\$ 47.67
Warehouse	0.65	1550	0.53	821.5	\$ 353.25	\$ 6,316	\$ 7.68
Lodging	0.59	1700	0.53	901	\$ 391.73	\$ 6,316	\$ 7.01
Communication/Utilities	1.43	700	0.53	371	\$ 159.53	\$ 6,316	\$ 17.02
Transportation	2.22	450	0.53	238.5	\$ 102.56	\$ 6,316	\$ 26.48
Hospitals	2.22	450	0.53	238.5	\$ 102.56	\$ 6,316	\$ 26.48
Self Storage	0.07	15,000	0.53	7,950	\$3,418.50	\$ 6,316	\$ 0.79

(a) Employee Densities: Source SANDAG 2012

(b) District-Resident Employee Per Unit Ratio: Source 2010 Census and American Community Survey 2007-11

(c) Sq. Ft. Per Housing Unit: District-Resident Employee Per Unit Ratio multiplied by sq. ft. per employee

(d) Based upon Estimated New School Construction Costs as set forth in Developer Fee Justification Study.

(e) Maximum Justified Fee Per Sq. Ft.: Fee amount justified without exceeding development impact.

VII. CONCLUSIONS AND RECOMMENDATIONS – LEVEL 1 STATUTORY FEE & LEVEL 2 ALTERNATIVE FEE

A. *Government Code §§ 66000 et. seq.*

Government Code §§ 66000 *et seq.* were enacted by the California State Legislature in 1987. The code requires all public agencies satisfy the following requirements listed below in any action establishing, increasing or imposing a fee, such as the herein described Alternative Fees, as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Provide an annual accounting of any portion of the fee remaining unexpended or uncommitted in the School District's accounts.

The information contained in this SFNA, provides factual evidence establishing the nexus between the type of development projected to be constructed within the District and the amount of school fees to be levied upon the development. Therefore, the determinations made in this SFNA meets the requirements of Government Code §6000. The findings are summarized below.

New residential development in the District, as shown in the SFNA, will generate additional students requiring the District to provide additional school facilities. The amount to be included in the Alternative Fees is specified by statute. The Alternative Fee Level 2 of \$4.19 per sq. ft, and the Alternative Fee Level 3 of \$8.38 per sq. ft. are justified in this Analysis. The estimated average school facilities cost impacts on the District per square foot of residential development as estimated in Table 12 is \$8.38. As the actual school facilities cost impacts per square foot of residential construction is greater than the Alternative Fees, it is reasonable for the District to determine that the Alternative No. 2 Fee of \$4.19 per sq ft and the Alternative No. 3 Fee of \$8.38 per sq. ft are roughly proportional and reasonably related to the actual impacts caused by residential development on the District.

This Analysis and the information included in Table 11 & 12 therefore establish that the Alternative Fees meet the requirements of Sections 66000 *et seq.* and such a determination by the District as part of adopting the Alternative Fees is justified and appropriate. The School District, therefore, is justified in levying Alternative Fees on all new development.

B. Residential Developer Fees

Based on the findings set forth herein, the District meets the requirements for levying Level 2 fees in the amount of \$4.19, and K-8 Level 1 Statutory fees in the amount of \$2.69, as applicable, per square foot for residential single family detached, single family attached, and multi-family construction, with the exception of any residential development that is paying mitigation through a Mello-Roos CFD special tax or by special Board approved Mitigation Agreement.

C. Commercial/Industrial Developer Fees

Based on the findings set forth in Section VI, the District meets the requirements for levying K-8 Statutory fees in the amount of \$0.43 per square foot for new commercial and industrial development.

The School Facility Needs Analysis / Justification Study is hereby submitted for public review and approval by the District Board in substantiation of Developer Mitigation Fees as set forth in SB 50.

EXHIBIT A

District Map

