

**Lakeside Union School District
Developer Fee Justification Study**

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Exhibits

- Exhibit A January 2020 Index Adjustment of Assessment for Development
- Exhibit B School Attendance Boundaries
- Exhibit C Allocation of Developer Fee Revenue
- Exhibit D1-2 School Construction Costs



EXECUTIVE SUMMARY

Education Code §17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project, within their district, for the construction or reconstruction of school facilities as long as the District can demonstrate justification for the levying of fees.

On January 22, 2020 the State Allocation Board's (SAB) biennial inflation adjustment increased the maximum residential School Fee authorized by §17620 of the Education Code **from \$3.79 to \$4.08** per residential building square foot for elementary districts. Based on the square footage of the average residential unit being constructed within the school district, the school fees would provide less than 100 percent of the school facilities cost impacts. Therefore, this study concludes that the Lakeside Union School District is fully justified in levying the maximum residential School Fee of \$4.08 per square foot for all new future residential development within their boundaries. At the same time the SAB also approved an increase in the commercial/industrial rate **from \$0.61 to \$0.66** per square foot. As presented in this report, the District is justified in collecting developer fees on new commercial/industrial development in certain situations.

This report:

- Identifies the cost of providing school facilities for students generated by future residential and commercial/industrial development in the Lakeside Union School District in order to justify the collection of fees on those developments; and,
- Explains the relationship between the fees and the developments on which those fees are to be charged.

As is indicated by the **ES Table 1** below, the Lakeside Union School District is justified in collecting its share of the legal maximum fee of \$4.08 per square foot of residential development as authorized by Government Code §65995 (Level I fees), since future residential development creates a school facility cost impact of \$22.50 per square foot.

**ES Table 1: School Facilities Cost Impact per Residential Square Foot**

	School Facilities Cost Impact per Residential Unit	Average Square Footage per Residential Unit ¹	School Facilities Cost Impact per Square Foot
Total	\$38,402	1,707	\$22.50
¹ NOTE: Based on information provided by project developers			

As is depicted in **ES Table 2**, the District is also justified in collecting its share (62%) of the legal maximum fee of \$0.66 per square foot of development on all categories of commercial/industrial development (CID) with the exception of Rental/Self-Storage (\$0.16). Those categories of commercial/industrial development with a facilities impact of greater than \$0.66 per square foot are limited to the maximum levy of \$0.66 per sq. ft. of CID – even when fees from linked residential units are accounted for. The fees for the exception noted below can be established on an individual, case-by-case basis.

ES Table 2: Net School Facilities Cost Impacts Per Sq. Ft. for Com/Ind. Development

Net School Facilities Cost Impact per Sq. Ft.	
CID Category	Net School Dollar Impact per Sq. Ft.
Banks	\$7.14
Community Shopping Center	\$3.88
Neighborhood Shopping Center	\$7.07
Industrial Business Parks	\$8.89
Industrial Parks/Warehousing	\$3.41
Rental/Self-Storage	\$0.16
Research & Development	\$7.69
Hospitality (Lodging)	\$2.86
Commercial Offices (Standard)	\$12.11
Commercial Offices (Large High Rise)	\$11.49
Corporate Offices	\$6.79
Medical Offices	\$10.78
Category “grayed out” indicates that this category of CID cannot be levied at the maximum rate of \$0.66	

Pursuant to the District’s fee-sharing agreement with the high school district, LUSD is limited to collecting its share of the \$0.66 (\$0.41). In the case of Rental/Self-Storage, the District is limited to collect its share or \$0.10 (62% of \$0.16).



The District’s justification for collecting fees on future residential and commercial/industrial development is based on the following facts and projections:

1. Over a five-year period, future residential development is projected to generate 84 additional students for the District of which 67 are elementary school students and 17 are middle school students. These students will require the District to provide ongoing capital facility improvements to continue to offer and maintain the existing level of service for these students and their families.
2. Each square foot of future residential development creates an estimated school facilities cost impact of \$22.50. All categories of commercial/ industrial development create an estimated school facilities cost impact ranging between \$0.16 and \$12.11 per square foot of commercial/ industrial development, even when fees from linked residential units are accounted for.
3. The District’s current classroom facilities continue to require substantial capital investments in order to provide ongoing improvement to support the Lakeside Union School District’s need to serve its children, youth and their families. The District does not have sufficient permanent capacity to house students generated by future development in existing permanent structures.
4. If the District collects its share of the current maximum fee on residential development authorized by Government Code §65995 which is \$2.53 per square foot, fee revenue will only offset approximately 11.2% of the school facility cost impacts attributable to that development.
5. For both residential and commercial/industrial development, the fees authorized by Government Code §65995 are fully justified. The fees outlined above all meet the requirements of Government Code §66001 (the nexus requirements); that is, a reasonable relationship exists between the amount and use of the fees and the developments upon which they are levied.

PRORATED SHARE OF DEVELOPMENT FEE

Pursuant to the fee-sharing agreement with the Grossmont Union High School District, the Lakeside Union School District's prorated share of the residential development fee is 62% of the maximum allowable school fee of \$4.08. This equates to **\$2.53 per square foot** of residential covered and enclosed livable space. The Lakeside Union School District is therefore justified in levying the maximum allowable fee, or \$2.53 as their portion of the school fee per square foot of residential covered and enclosed livable space. Using the same methodology, the District is



also justified in levying 62% of the commercial/ industrial rate (\$0.66), or **\$0.41 per square foot** on all categories of CID with the exception of Rental/Self-Storage.

JUSTIFICATION

The District’s current capacity to house students in permanent structures is based upon an inventory of 157 permanent classrooms being “loaded” at the District’s standard of 24 students per classroom for TK-3 students; 28.5 students per classroom for Grades 4-5; 27.5 students per classroom for Grades 6 through 8; 14 students per classroom for its Special Education non-severe students; and 8 students per classroom for Special Education severe students. This equates to a total capacity of 4,080. The 2019-20 District official enrollment data reflects a total student population of 4,988. This results in the District having a shortage in permanent seats for 908 students as reflected in Table 2.

One of the underlying tenets in this Study is that all calculations of District capacity to house students is based on the District’s available permanent classrooms. The reasoning and rationale for only considering permanent classrooms in this calculation focuses the District’s interest in ensuring that an existing level of service is being maintained for all students, both existing or new (as the result of development); and that the District be able to continue to offer the same level of service. The District has also made a commitment to its community to make every effort to house all its students in permanent rather than portable classrooms. While the District has had to provide a number of portable classroom structures to house some of its students, the underlying District premise and philosophy has been that portable classroom housing was intended as “interim” housing until such time as sufficient resources became available, both locally and at the state level, to construct permanent classrooms.

There are several residential development projects under consideration in the Lakeside area according to the *County of San Diego Planning & Development Services Department*. According to the County, these projects total 168 dwelling units. For purposes of this study we have estimated that the 168 new dwelling units will average approximately 1,707 sq. ft. in size. The result of adding any additional students will be to further the need for new facilities or the modernization and expansion of existing facilities to accommodate this population growth.

The elementary school construction costs in the Lakeside area of the County have been estimated at \$73,399.98 per student (Exhibit D) and the middle school construction costs have been estimated at \$90,218.60 per student. When taken together and considered on a per square foot basis, these equate to \$22.50 per square foot of residential development as will be illustrated within this document; and is based on the number of students generated per square foot of residential development planned. Based on the District’s fee-sharing agreement with



the Grossmont Union High School District, the Lakeside Union School District can then levy residential developer fees at the rate of \$2.53 (62%) per square foot based on the maximum allowable levy of \$4.08.

The facilities cost impact for new commercial/industrial development has been calculated to range from \$0.16 to \$12.11 per square foot (Table 13). The District is justified in collecting commercial/industrial developer fees at the rate of \$0.41/sq. ft. (62% of \$0.66/sq. ft.) for all categories with the exception of Rental/Self-Storage. The District will only be allowed to collect \$0.10 per square foot as its share of Rental/Self-Storage construction.

A reasonable relationship, and therefore a nexus, exists between proposed residential and commercial /industrial development in the District and the need for new or modernized school facilities.

DEVELOPER FEE BACKGROUND

Education Code §17620 grants authority to governing boards of school districts to impose developer fees, stating 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." To levy and collect developer fees, a school district must show the correlation (or "nexus") between new residential, commercial and industrial development and the need for new school facilities.

In 1986, the state legislature approved AB 2926 (Chap. 887), which authorized school districts to levy development fees and at the same time placed a cap on the total amount of fees that could be levied. It established the maximum fees (adjustable for inflation) that may be collected, at \$1.50 per square foot of new residential construction and \$0.25 per square foot of new commercial/industrial construction. This maximum amount has been reviewed and adjusted every two years by the State Allocation Board (SAB) and corresponds to the statewide Class B construction index. On January 22, 2020, the SAB increased the Level 1 fee to \$4.08 per square foot for residential construction and \$0.66 per square foot for commercial/industrial construction (Exhibit A).

Government Code §66000 through §66003 were added under Assembly Bill 1600, which became law in January 1989. The provisions require 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 the cost necessary 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 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.

In 1997, Government Code §66008 (SB 1983), Chapter 569/Statutes 1996, (effective January 1, 1997) mandated that school districts be specific on the intended use of the fees to be collected in their fee justification documents and include the general locations of new school facilities and estimated construction timelines in the report. These timelines, however, are influenced by many factors including actual (as opposed to projected) phasing of new development, eligibility and availability of state school construction funds as well as the availability of local funding.

In August 1998, the Governor signed into law Senate Bill 50, also known as the Leroy Greene School Facilities Act of 1998. This bill made major changes in the State Facilities Program as well as the rules and regulations surrounding the use of “developer fees” as mitigation for school districts in California. Education Code §17620 was amended to create the provisions of Government Code §65995.

The State School Facilities Program (SFP) replaced the State Lease-Purchase Program. Except in the case where a district can establish economic "hardship" status, all new state construction projects require a district contribution of 50% of the project cost. Modernization projects require a local (District) contribution of 40% of the cost pursuant to AB 16 (Chaptered 4/29/02).

The passage of SB 50 also repealed all locally-imposed fees authorized by local ordinances and instituted the collection of three levels of developer fees:



LEVEL 1 FEES:

Level 1 fees are the current statutory fees allowed under Education Code §17620. On January 22, 2020, the State Allocation Board's biennial inflation adjustment increased the Statutory Level 1 Fees from \$3.79 to \$4.08 per square foot for residential construction and from \$0.61 to \$0.66 per square foot for commercial/industrial development.

LEVEL 2 FEES:

Level 2 developer fees are outlined in Government Code §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 the completion of a School Facility Needs Analysis based on Government Code §65995.6 among other requirements.

LEVEL 3 FEES:

Authorized by SB 50 in 1998, Level 3 fees have never been implemented. They would be approximately twice the Level 2 fee. Level 3 fees require a condition in which state school construction funds have been exhausted; therefore, no state matching funds would exist with the District then being responsible for providing 100% of funding for any new school construction. The SAB is then required to provide written determination that state funds are not available prior to any district considering the levying Level 3 developer fees (Government Code §65995.7). Levying Level 3 fees also requires that the district have a current School Facility Needs Analysis (SFNA) in place; and is currently levying Level 2 fees. SFNAs for Level 2 fees commonly include a calculation of the Level 3 fee as well, even though the Level 3 fee cannot be imposed at that time. Both AB 1903 and the education trailer bill (SB 1016) proposed to temporarily limit the ability of school districts to levy Level 3 developer fees.

USE OF FEES

PERMISSIBLE USES OF FEES

Developer Fees may be used for:

- a) Construction or reconstruction of school facilities; (Ed. Code § 17620, subd. (a).)



- b) Costs associated with conducting any study, finding, needs analysis or determination required as part of the process for adopting the fee; (Ed. Code § 17620, subd. (a)(5); Gov. Code § 65995.5, subd. (f).)
- c) Administering the fee, for which 3% of the fees collected may be expended; (Ed. Code § 17620, subd. (a)(5); Gov. Code § 65995.5, subd. (f).)
- d) Costs associated with conducting the meeting(s) required for levying a new fee or increasing an existing fee may be recovered by the district from the fee charged; (Gov. Code § 66016, subd. (c).)
- e) Costs attributable to the increased demand for public facilities reasonably related to the development in order to (1) refurbish existing facilities to maintain the existing level of service or (2) achieve an adopted level of service that is consistent with a general plan (this appears to include compliance with a Facilities Master Plan or similar document). (Gov. Code § 66001, subd. (g).)

IMPERMISSIBLE USES OF FEES

Developer fees generally may not be used for the following:

- a) The regular maintenance or routine repair of school buildings and facilities;
- b) The inspection, sampling, analysis, encapsulation or removal of asbestos-containing materials, except where incidental to a construction or reconstruction project; or;
- c) The purposes of deferred maintenance described in Ed. Code § 17582.

(Ed. Code § 17620, subd. (a)(3).)

PURPOSE OF STUDY

Government Code §66000 requires that in order for a district to levy developer fees, a nexus must be established between the impact of new residential and commercial/ industrial development and the need for the construction and/or reconstruction of school facilities. Finding that such fees are justifiable, the Lakeside Union School District is authorized, after notice and a public hearing, to levy such fees.



DESCRIPTION OF THE DISTRICT

The District provides K-8 education for a portion of the mid-central area of San Diego County (Exhibit B). Lakeside Union School District is one of five feeder-school districts to the Grossmont Union High School District.

The following schools are located in the District:

- Eucalyptus Hills ES
- Lakeside Farms ES
- Lakeview ES
- Lemon Crest ES
- Lindo Park ES
- Riverview ES
- Winter Gardens ES
- Lakeside MS
- Tierra del Sol MS

FEE SHARING AGREEMENT

There is a fee-sharing agreement between the Grossmont Union High School District and its feeder districts. Under this agreement, the Lakeside Union School District receives 62% of the entire fee levied.



RESIDENTIAL DEVELOPMENT COST IMPACT

METHODOLOGY

In order to assess the existence of a nexus, the DFJS identifies the connection between residential and/or commercial/industrial development and 1) the need for school facilities; 2) the cost of those facilities; and 3) the amount of school fees that can justifiably be levied.

The elements that create these connections include:

1. Residential and/or Commercial/Industrial development reasonably expected to be constructed within the school district's boundaries within the next five years. This data was collected by contacting the respective cities' planning department, identifying both the number of residential units to be constructed as well as the square footage of future projected residential units;
2. Student Generation Factor ("SGF") – The number of new students likely to be generated by new residential development. This data was provided by the District based on historical data and trends;
3. Facility Requirements – the extent of school facilities necessary to house new students generated based on an analysis of the District's current permanent classroom inventory compared to the District's current population by school level;
4. School Facility Cost Impacts – The costs associated with the construction of additional school facilities necessary to adequately house the students generated from new development;
5. The School Fee requirements – the school district needs to levy a fee to cover a portion of the costs of the additional facilities required

School facilities costs estimates were developed by EH&A in conjunction with both a well-known, and well-established construction contractor as well as a well-established realtor – both of whom are knowledgeable as to costs of construction as well as real property values throughout the greater San Diego Metropolitan Area.



EXISTING FACILITY CAPACITY

To determine the need for additional school facilities, the capacity of the District’s existing facilities must be identified and compared to current and anticipated enrollments.

The loading standards in the California Code of Regulations, Title II, §1859.35, set capacity on a district-wide basis rather than a school-level basis for the purposes of levying developer fees. For the purposes of this study, classrooms were loaded [students per teacher] with the District’s classroom loading standards of 24:1 (Grades TK-3); 28.5:1 (Grades 4-5); 27.5 students per classroom for Grades 6 through 8; 14 students per classroom for its Special Education non-severe students; and 8 students per classroom for Special Education severe students. Using the District’s loading standards, the District’s 157 permanent classrooms yield a capacity of 4,080 students.

2019-20 Official enrollment, as submitted to CDE, is 4,988 students. That results in the District having a shortage of capacity to house students in permanent classrooms of 908 students (Table 2).

To determine the need for additional school facilities, the capacity of the District’s existing facilities must be identified and compared to current and anticipated enrollments.

Table 1: District Classroom Loading Factors

	Grades TK - 3	Grades 4 - 5	Grades 6 - 8	Special Education Non- Severe	Special Education Severe
District Loading Factor	24:1	28.5:1	27.5:1	14:1	8:1

As reflected in Table 2, the school district’s 2019-20 capacity to house students is 4,080 based on the District’s available inventory of 157 permanent classroom structures multiplied by the District’s classroom loading factors. Of the available seats, 2,634 are at the District’s elementary school level (Grades K through five) and 1,446 are at the middle school level (Grades six through eight)



Table 2: Existing School Facilities Capacity and Student Enrollment

School Level ¹	2019-20 Facilities Capacity ¹	2019-20 Student Enrollment ²	Surplus/(Shortage) of Permanent Capacity
Elementary School (K-5)	2,634	3,418	(784)
Middle School (6-8)	1,446	1,570	(124)
TOTAL	4,080	4,988	(908)
¹ Based on permanent classrooms; and consistent with District’s classroom “loading” factors			
² Enrollment provided by the CALPADS System. Does not include 10 NPS students			

The reasoning and rationale for considering only permanent classrooms in the calculation of district capacity focuses on factors including:

- Portable classrooms have a shorter life span than permanent classroom structures;
- There is an inherent difficulty in maintaining portable classrooms over an extended period of time;
- There are issues of equity surrounding the use of portable classroom structures. The District’s interest is ensuring that the same level of service be maintained going forward for all students – both existing, as well as those to be generated from future development;
- There is difficulty in locating portables in favorable locations. Portable classrooms tend to be located at the fringes of a campus;
- There is difficulty in altering the configuration of a portable classroom to meet new instructional standards (e.g. flexible learning)

While the District has had to provide portable classroom structures to house some of its students, the District’s underlying premise and philosophy has been that portable classroom housing continues to be intended to provide “interim” housing until such time as sufficient resources are available, both locally and at the state level to construct permanent structures.



PROJECTED RESIDENTIAL DEVELOPMENT WITHIN THE SCHOOL DISTRICT

The initial step in developing a nexus as required by AB 2926 and AB 1600 is determining the number of future residential units to be constructed within the School District's boundaries. Existing law requires that a reasonable relationship be established between residential development and the need to collect fees to mitigate new school construction for students generated from these new developments. Based on EH&A's research, it is estimated that 168 residential dwelling units will be constructed within the District's boundary during the next five years.

Table 3: Future Residential Dwelling Units

Land Use Type	New Residential Dwelling Units	Total Proposed Square Footage
Multi-Family	144	214,800
Single-Family	24	72,000
TOTAL	168	286,800
Average Square Footage/Dwelling Unit		1,707

STUDENT GENERATION

The next step in this process involves calculating the number of students to be generated by future residential development. School enrollment forecasters establish a relationship between annual residential development and student enrollment growth.

The method favored by the State Allocation Board (as referenced on SAB Form 50-01) for establishing this relationship is the "pupil per dwelling unit ratio multiplier" model. If an average number of pupils per dwelling unit is established over a period of time, multiplying new residential units by this "pupil per dwelling unit" ratio will yield the forecasted number of students generated. Enrollment forecasters often use the term student generation factor (SGF) to refer to the pupil per dwelling unit ratio. This Study used the state's standard of 0.5 students per dwelling unit – divided between elementary school grades (0.4 students per dwelling unit) and middle school (0.1 students per dwelling unit).



To determine the number of students to be generated by new residential development, the state’s student generation factor was used and multiplied by the number of projected new residential dwelling units for each school level. Once the number and type of residential units has been determined, the students generated can be calculated. Through consultation with the County of San Diego it was determined that 168 dwelling units are anticipated to be constructed within the District over the next five years

Table 4: Lakeside Union School District – School Level Student Generation Factors

School Level	Student Generation Factor (per State)
Elementary (K-5)	0.4
Middle School (6-8)	0.1

Using the (State) student generation factors listed above and multiplying them by the projected number of dwelling units yields the projected enrollment from new residential development as presented in **Table 5**.

Table 5: Projected Enrollment for New Development

School Level	Number of Projected Dwelling Units	Student Generation Factor	Projected New Student Generation
Elementary (K-5)	168	0.4	67
Middle School (6-8)	168	0.1	17
TOTAL	168	0.5	84

Because there is not a surplus of available seats at either school level, this study addresses the additional permanent facilities needed throughout the District.



Table 6: Projected Unhoused Students for New Residential Dwelling Units

School Level	Projected Students from New Residential Dwelling Units	Available Seats	Projected Additional “Unhoused” Students
Elementary School (TK–5)	67	0	67
Middle School (6–8)	17	0	17
Total	84	0	84

When we consider both the existing shortage of available permanent seats for both elementary and middle school students (**Table 2**); and include the additional space needed based on projected future residential units, the District will have a shortage of 992 permanent spaces (908 plus 84). For purposes of validating the nexus required by law, this DFJS only focuses on the 84 new students generated by future residential development.

SCHOOL FACILITY CONSTRUCTION COST

The next step in the DFJS process is to determine the school facilities construction cost impact of these new students. A reasonable relationship (nexus) can be shown to exist between the construction and occupancy of new housing units and the need for additional school facilities.

School facilities cost estimates were prepared by EH&A in conjunction with a construction company involved in the construction of school facilities throughout Southern California. In addition, EH&A consulted with a real estate firm that is familiar with land acquisition costs in the greater Southern California area. These costs took into consideration both acreage as well as number of students per school site.

<https://www.cde.ca.gov/ls/fa/sf/documents/schoolsiteanalysis2000.pdf>. Costs included in the table below include site acquisition, site development, both hard and soft construction costs as well as furniture & equipment.

Because developer fees are levied on a “per square foot” basis, the DFJS approaches the calculation of school facilities impact through a three-step process:

1. Using the construction cost estimates for each type of school (elementary and middle), calculating the facilities cost impact for the total number of students to be generated by future development;



2. Identifying the school facilities cost impact by future residential unit; and,
3. Calculating the school facilities cost impact by square foot

During this first step in the process, EH&A used the cost of construction for a given school facility to determine the cost per school level. A cost per student per school level was then generated. Once this was developed, the facilities cost impact of the additional students was determined as reflected in the **Table 7**.

A reasonable relationship (nexus) can be shown to exist between the construction and occupancy of new housing units and the need for additional school facilities. School facility costs were developed based on local construction costs and utilize the CDE recommendations of 11.7 acres per elementary school site for an elementary school housing 600 students and 21.9 acres for 1,000 students at the middle school level .

ELEMENTARY SCHOOL

Erickson-Hall Construction Company (“EHCC”) has estimated the cost to construct an elementary school in the Lakeside area at approximately \$44,039,987 (Exhibit D-1). This includes land acquisition cost of \$784,080 per acre which was provided to us by Mr. Eric Knowles of Kidder Matthews, a real estate professional firm. Based on a State standard of 600 pupils per elementary school, the total cost of construction of an elementary school equates to \$73,399.98 on a per student basis.

MIDDLE SCHOOL

EHCC has estimated the cost to construct a middle school in the Lakeside area at approximately \$90,218,604 (Exhibit D-2). This includes land acquisition cost of \$784,080 per acre which was provided to us by Mr. Eric Knowles as well. Based on a State standard of 1,000 pupils per middle school, the total cost of construction of a middle school equates to \$90,218.60 on a per student basis.



Table 7: Total School Facilities Cost Impacts

School Level	Standard # of Students per Facility	Cost per Facility ¹	Cost per Student	# of Additional Unhoused Students	Projected Cost Impact of Additional Students
Elementary School	600	\$44,039,987	\$73,399.98	67	\$4,917,799
Middle School	1,000	\$90,218,604	\$90,218.60	17	\$1,533,716
TOTAL					\$6,451,515

¹Includes site acquisition, site development, “soft costs” as well as FF&E in addition to hard construction costs (Exhibits D1-D2)

Using the school facilities cost impacts for each land use in conjunction with the projected units by land use, we are able to calculate the facilities costs impact on a per-residential unit basis.

Table 8: School Facilities Cost Impacts per Projected Residential Unit

School Level	Total School Facilities Cost Impacts	Projected Residential Units	School Facilities Cost Impact/Residential Unit
Elementary School	\$4,917,799	168	\$29,273
Middle School	\$1,533,716	168	\$9,129
TOTAL	\$6,451,515	168	\$38,402

FACILITIES COST IMPACT PER SQUARE FOOT OF RESIDENTIAL DEVELOPMENT

In order to fulfill the statutory requirements imposed by AB 2926 and AB 1600, both of which added sections to the Government Code, the school facilities cost impacts must be calculated on a “per square foot” basis. EH&A collected information on the specific number of future residential dwelling units as well as their square footage. We then calculated the average weighted square footage for each land use category. Using the calculations developed in **Table 8**, the facilities cost impact per-square foot is reflected below.



Table 9: School Facilities Cost Impacts per Residential Square Foot

	School Facilities Cost Impact per Residential Unit	Average Square Footage per Residential Unit	School Facilities Cost Impact per Square Foot
New Residential Dwelling Units	\$38,402	1,707	\$22.50

PRORATED SHARE OF DEVELOPMENT FEE

Since the \$22.50/sq. ft. noted above is greater than the maximum school fee for residential development as authorized by the SAB (\$4.08/sq. ft.), the Lakeside Union School District is justified in levying the maximum allowable fee for residential covered and enclosed space. However, pursuant to a fee-sharing agreement with the High School District, the District's prorated share of the residential development fee is 62% (of \$4.08) which equates to \$2.53 per square foot of residential covered and enclosed space.

ESTABLISHING THE COST, BENEFIT, AND BURDEN NEXUS

ESTABLISHMENT OF A COST NEXUS

The District may need to construct and/or reconstruct school facilities to house additional students generated by new development in the district. The cost to provide new and/or reconstructed facilities exceeds the amount of developer fees to be collected which establishes the cost nexus.

ESTABLISHMENT OF A BENEFIT NEXUS

The students generated by the new residential and commercial/industrial development within the district will be attending schools within the district. The fee imposed on new development will directly benefit the students generated by that development; therefore, a benefit nexus is established.



ESTABLISHMENT OF A BURDEN NEXUS

New students generated by development will create a need for additional and/or reconstructed school facilities. The burden on the district will be to construct new facilities to house the students generated by future developments and the need for such facilities will be, in part, satisfied by the levying of developer fees. Therefore, a burden nexus is established.

PRORATED SHARE OF DEVELOPMENT FEE

Since the \$22.50 per sq. ft. noted in Table 9 is greater than the maximum school fee for residential development as authorized by the SAB (\$4.08/sq. ft.), the Lakeside Union School District is justified in levying the maximum allowable fee for residential covered and enclosed space. However, pursuant to a fee-sharing agreement with the Grossmont Union High School District, the District's prorated share of the residential development fee is 62% (of \$4.08) which equates to \$2.53 per square foot of residential covered and enclosed space.



COMMERCIAL/INDUSTRIAL DEVELOPMENT COST IMPACT

Commercial/industrial development typically attracts additional workers to the District; and because some of those workers will have school-age children, additional students will be generated for the District. New commercial/industrial development creates a facilities/fiscal impact to the District – generating a need for new school facilities.

If a school district is to levy developer fees on commercial/industrial development, Assembly Bill 181 states that a district "... must determine the impact of the increased number of employees anticipated to result from commercial and 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 based on commercial and industrial factors within the district, as calculated on either an individual project or categorical basis."

AB 181 was modified by the passage of Assembly Bill [AB] 530 (Chapter 633/Statutes of 1990), which allows the use of a set of statewide employee generation factors. Furthermore, AB 530 allows the use of the employee generation factors as identified in the San Diego Association of Governments (SANDAG) report titled, **San Diego Traffic Generators**. This study identifies the number of employees generated per 1,000 square feet of floor area for several categories of commercial/industrial development.

This report uses the following factors to calculate the school facilities costs incurred by the District per square foot of new commercial/industrial development:

- Employees generated per 1,000 square feet of new commercial/industrial development
- Percentage of employees that also live in the District
- Employees per household
- Percent of houses sold in the District that are new vs. existing
- Ratio of inter-district transfers to the estimated number of employees in the District
- Residential development cost factors calculated above:
 - ✓ Students per dwelling unit (Student Generation Factor)
 - ✓ Average new dwelling unit size as measured in square feet
 - ✓ School facilities cost per student
 - ✓ Current residential Level 1 fees



NEW COMMERCIAL/INDUSTRIAL IMPACT

New commercial/industrial development typically generates additional employees that will be living in the District which will create demand for additional school facilities. The number of new and existing households generated from new commercial/industrial development is calculated for each category of development .

Table 10: Number of New and Existing Households Generated

Number of Households within the School District Generated per 1,000 Sq. ft. CID (Includes New & Existing Households)				
CID Category	A Employees Generated per 1,000 Square Feet	B % Employees Living & Working in School District	C Employees in the District per Household	D # of School District Households per 1,000 sq. ft. CID A x B ÷ C
Banks	2.8253	50.487%	1.451	0.9829
Community Shopping Center	1.5348	50.487%	1.451	0.5340
Neighborhood Shopping Center	2.7985	50.487%	1.451	0.9736
Industrial Business Parks	3.5156	50.487%	1.451	1.2231
Industrial Parks/Warehousing	1.3473	50.487%	1.451	0.4687
Rental/Self-Storage	0.0643	50.487%	1.451	0.0224
Research & Development	3.0408	50.487%	1.451	1.0579
Hospitality (Lodging)	1.1325	50.487%	1.451	0.3940
Commercial Offices (Standard)	4.7897	50.487%	1.451	1.6663
Commercial Offices (Large High Rise)	4.5442	50.487%	1.451	1.5809
Corporate Offices	2.6848	50.487%	1.451	0.9340
Medical Offices	4.2654	50.487%	1.451	1.4839

The number of new households generated is a subset of the total households. The new household impact is calculated by multiplying the total households in the previous table by 12.73% – the percentage of new homes sold in the District over the past five years.



Table 11: Number of New Households Generated (Table 10, Col. D multiplied by 12.73%)

New Household Impact	
CID Category	No. of School District <u>New</u> Households per 1000 sq. ft. Com./Ind. Development
Banks	0.1251
Community Shopping Center	0.0680
Neighborhood Shopping Center	0.1240
Industrial Business Parks	0.1557
Industrial Parks/Warehousing	0.0597
Rental/Self-Storage	0.0028
Research & Development	0.1347
Hospitality (Lodging)	0.0502
Commercial Offices (Standard)	0.2121
Commercial Offices (Large High Rise)	0.2013
Corporate Offices	0.1189
Medical Offices	0.1889

STUDENT GENERATION

The student generation impact for each CID category is the number of students generated by employees (per sq. ft. of commercial/industrial development) that are living in new households located within the District. This is calculated by multiplying the New Household Impact by the District’s Student Generation Factor.



Table 12: Student Generation by Commercial/Industrial Category (Table 11 multiplied by 0.5 SGF)

Student Generation by CID Category			
CID Category	Elementary School	Middle School	Total Students Generated
Banks	0.0501	0.0125	0.0626
Community Shopping Center	0.0272	0.0068	0.0340
Neighborhood Shopping Center	0.0496	0.0124	0.0620
Industrial Business Parks	0.0623	0.0156	0.0779
Industrial Parks/Warehousing	0.0239	0.0060	0.0298
Rental/Self-Storage	0.0011	0.0003	0.0014
Research & Development	0.0539	0.0135	0.0673
Hospitality (Lodging)	0.0201	0.0050	0.0251
Commercial Offices (Standard)	0.0849	0.0212	0.1061
Commercial Offices (Large High Rise)	0.0805	0.0201	0.1006
Corporate Offices	0.0476	0.0119	0.0595
Medical Offices	0.0756	0.0189	0.0945

The Inter-District Transfer Student generation impact is the ratio of the net inter-district transfers “In” (1.39%) to the estimated number of employees in the District as reflected in Table 13.



Table 13: Inter-District Transfer Generation Impact (Net Inter-district transfers “in” (1.39%) ÷ estimated number of people employed within the District’s boundary)

Inter-District Transfer Student Generation			
Category	Elementary School	Middle School	Student Generation
Banks	0.0392	0.0000	0.0392
Community Shopping Center	0.0213	0.0000	0.0213
Neighborhood Shopping Center	0.0389	0.0000	0.0389
Industrial Business Parks	0.0488	0.0000	0.0488
Industrial Parks/Warehousing	0.0187	0.0000	0.0187
Rental/Self-Storage	0.0009	0.0000	0.0009
Research & Development	0.0422	0.0000	0.0422
Hospitality (Lodging)	0.0157	0.0000	0.0157
Commercial Offices (Standard)	0.0665	0.0000	0.0665
Commercial Offices (Large High Rise)	0.0631	0.0000	0.0631
Corporate Offices	0.0373	0.0000	0.0373
Medical Offices	0.0592	0.0000	0.0592

Table 14: Total Student Generation Impact (Table 12 PLUS Table 13)

Total Student Generation Impact			
CID Category	Elementary School	Middle School	Total Student Generation
Banks	0.0893	0.0125	0.1018
Community Shopping Center	0.0485	0.0068	0.0553
Neighborhood Shopping Center	0.0884	0.0124	0.1008
Industrial Business Parks	0.1111	0.0156	0.1267
Industrial Parks/Warehousing	0.0426	0.0060	0.0485
Rental/Self-Storage	0.0020	0.0003	0.0023
Research & Development	0.0961	0.0135	0.1096
Hospitality (Lodging)	0.0358	0.0050	0.0408
Commercial Offices (Standard)	0.1514	0.0212	0.1726
Commercial Offices (Large High Rise)	0.1436	0.0201	0.1637
Corporate Offices	0.0848	0.0119	0.0967
Medical Offices	0.1348	0.0189	0.1537



NET SCHOOL FACILITY COST

The total school facility cost generated by commercial/industrial development is the total student generation impact multiplied by the facility cost per student based on both the elementary as well as the middle school grade spans (\$73,400 & \$90,219)

Table 16: School Facility Cost Impact (Table 14 multiplied by Table 15)

Dollar Impact per Commercial/Industrial Category			
CID Category	Elementary School Cost Impact	Middle School Cost Impact	Total Facilities Cost Impact
Banks	\$6,554	\$1,129	\$7,683
Community Shopping Center	\$3,560	\$613	\$4,174
Neighborhood Shopping Center	\$6,492	\$1,118	\$7,610
Industrial Business Parks	\$8,155	\$1,405	\$9,560
Industrial Parks/Warehousing	\$3,125	\$538	\$3,664
Rental/Self-Storage	\$149	\$26	\$175
Research & Development	\$7,054	\$1,215	\$8,269
Hospitality (Lodging)	\$2,627	\$453	\$3,080
Commercial Offices (Standard)	\$11,110	\$1,914	\$13,024
Commercial Offices (Large High Rise)	\$10,541	\$1,816	\$12,357
Corporate Offices	\$6,228	\$1,073	\$7,301
Medical Offices	\$9,894	\$1,704	\$11,599

A “residential fee offset” is calculated to ensure that revenues from "linked" residential units are not counted twice. The "residential fee offset" is the New Household Impact multiplied by the current statutory fee generated from the average square footage home (Table 11).



Table 17: Residential Fee Offset (Table 11 data multiplied by \$4.08/sq. ft. multiplied by 1,707 avg. sq. ft./new dwelling unit)

Residential Fee Offset (\$ per 1000 sq. ft. – CID)		
CID Category	School District Households Impact	Residential Revenue Generated
Banks	0.1251	\$872
Community Shopping Center	0.0680	\$473
Neighborhood Shopping Center	0.1240	\$863
Industrial Business Parks	0.1557	\$1,085
Industrial Parks/Warehousing	0.0597	\$416
Rental/Self-Storage	0.0028	\$20
Research & Development	0.1347	\$938
Hospitality (Lodging)	0.0502	\$349
Commercial Offices (Standard)	0.2121	\$1,478
Commercial Offices (Large High Rise)	0.2013	\$1,402
Corporate Offices	0.1189	\$828
Medical Offices	0.1889	\$1,316

The Net School Facilities Cost is the total Dollar Impact (Table 16) less the Residential Fee Offset and is illustrated in Table 17.

Table 18: Net School Facilities Cost

Net School Facilities Costs			
CID Category	Total Impact to School Facilities	<u>Less:</u> Residential Revenues	Net School Impact per 1,000 Com./Ind. Sq. Ft.
Banks	\$7,683	\$872	\$6,811
Community Shopping Center	\$4,174	\$473	\$3,700
Neighborhood Shopping Center	\$7,610	\$863	\$6,747
Industrial Business Parks	\$9,560	\$1,085	\$8,475
Industrial Parks/Warehousing	\$3,664	\$416	\$3,248
Rental/Self-Storage	\$175	\$20	\$155
Research & Development	\$8,269	\$938	\$7,331
Hospitality (Lodging)	\$3,080	\$349	\$2,730
Commercial Offices (Standard)	\$13,024	\$1,478	\$11,547
Commercial Offices (Large High Rise)	\$12,357	\$1,402	\$10,955
Corporate Offices	\$7,301	\$828	\$6,472
Medical Offices	\$11,599	\$1,316	\$10,283



By law, the net school impact must be expressed on a “per square foot basis”. The Net School Impact per square foot is the Net School Facilities Cost divided by 1,000.

The net school impact per square foot is the net school facilities cost divided by 1,000 sq. ft. Only the Rental/Self-Storage impact is less than the District’s maximum prorated share of \$.41 per square foot.

Table 19: Net School Dollar Impact per Square Foot

Net School Facilities Cost Impact per Sq. Ft.			
CID Category	Net School Dollar Impact per Sq. Ft.	Maximum Levy Allowed under Statute	Lakeside Union SD Share
Banks	\$6.81	\$0.66	\$0.41
Community Shopping Center	\$3.70	\$0.66	\$0.41
Neighborhood Shopping Center	\$6.75	\$0.66	\$0.41
Industrial Business Parks	\$8.48	\$0.66	\$0.41
Industrial Parks/Warehousing	\$3.25	\$0.66	\$0.41
Rental/Self-Storage	\$0.16	\$0.16	\$0.10
Research & Development	\$7.33	\$0.66	\$0.41
Hospitality (Lodging)	\$2.73	\$0.66	\$0.41
Commercial Offices (Standard)	\$11.55	\$0.66	\$0.41
Commercial Offices (Large High Rise)	\$10.95	\$0.66	\$0.41
Corporate Offices	\$6.47	\$0.66	\$0.41
Medical Offices	\$10.28	\$0.66	\$0.41
Category “grayed out” indicate this category of CID is limited to the amount identified as the maximum levy on a per sq. ft. basis			

PRORATED SHARE OF DEVELOPMENT FEE

Pursuant to the fee sharing agreement with the Grossmont Union High School District, the District's prorated share of commercial/industrial construction is \$.41 per square foot of covered and enclosed space. The District is justified in collecting its share for all the commercial/industrial categories with the exception of Rental/Self-Storage. The District will only be allowed to collect \$.10 per square foot of Rental/Self-Storage construction.



OTHER LEGISLATION

School districts wanting to adopt or increase fees must hold a public hearing as part of a regularly scheduled meeting and must publish notice of this meeting twice, the first notice at least ten days prior to the meeting (per Government Code §66016).

Government Code §66006 requires school facilities fees that are collected be placed into a separate capital facilities account or fund and specifies that those fees, and the interest earned on those fees, only be expended for the purposes for which they were collected.

According to Education Code §17625, a school district can charge a fee on manufactured or mobile homes only if all the following conditions are met:

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.

According to Education Code §17622, 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 for 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 October 1989, Assembly Bill 181 was enacted to clarify several areas of developer fee law. The provisions include the following:



1. Exempts from fees residential expansion remodels of less than 500 square feet.
2. Prohibits the use of developer fee revenue for routine maintenance and repair, most asbestos work and deferred maintenance expenditures.
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 and industrial development may be analyzed by categories of development as well as on an individual project-by-project basis. An appeal process for individual projects is required if an analysis is to be done by category.
7. Changes the frequency of the annual inflation adjustment on the maximum fee to every two years.
8. Exempts from fee development used exclusively for religious purposes, private schools and government-owned developments.
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.



AVAILABLE REVENUE SOURCES FOR SCHOOL FUNDING FACILITIES

In general, two sources of funding facility construction and reconstruction exist – state sources and local sources. The District has considered the following:

STATE SOURCES

STATE SCHOOL FACILITY PROGRAM

Senate Bill 50 (August 1998) established the School Facility Program, providing funding under a "grant" program once a school district establishes eligibility.

Funding for new construction is offered as a 50/50 match (State/District) and at a 60/40 match (State/District) for modernization projects. Districts may levy the current statutory developer fee provided the district can justify its collection.

LOCAL SOURCES

DEVELOPER FEE REVENUE

Pursuant to the statutes enacted under SB 50, districts may levy the current statutory developer fee as long as they can justify collecting that fee. If a district desires to collect a sum greater than the statutory fee (Level 2 or Level 3), the district must meet certain requirements as outlined in the law as well as conducting a School Facilities Needs Assessment to enable the higher fee to be imposed. The Lakeside Union School District currently collects both residential as well commercial and industrial fees at the rates established in 2016.

MELLO-ROOS COMMUNITY FACILITIES ACT

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



GENERAL OBLIGATION BONDS

General Obligation (GO) Bonds may be issued by any school district for the purposes of purchasing real property as well as for the purposes of constructing or purchasing buildings or equipment "of a permanent nature."

SCHOOL DISTRICT GENERAL FUNDS

The district's general-purpose funds are needed by the district to provide for the operation of its instructional programs. There are no unencumbered funds that could be used to construct new facilities or reconstruct existing facilities.

EXPENDITURE OF LOTTERY FUNDS

Government Code §880.5 states: "It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for education of pupils and students and no funds shall be spent for acquisition of real property, construction of facilities, financing research or any other non-instructional purpose."

FACILITY FUNDING ALTERNATIVES

The District currently does not have enough available funding to provide adequate facilities or to satisfy the shortfall to fund projected construction costs.

The District is pursuing the following possible funding alternatives.

- Participation in the School Facility Program
- Utilizing interim housing where space will accommodate
- Cooperation with developers in establishing Community Facility Districts
- Exploring voter-approved General Obligation Bond elections, either through a two-thirds voter approval or Proposition 39 bonds (55% voter-approval)



ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

ESTABLISHMENT OF A COST NEXUS

The District may need to construct and/or reconstruct school facilities to house additional students generated by new development in the district. The cost to provide new and/or reconstructed facilities exceeds the amount of developer fees to be collected which establishes the cost nexus.

ESTABLISHMENT OF A BENEFIT NEXUS

The students generated by the new residential and commercial/industrial development within the district will be attending schools within the district. The fee imposed on new development will directly benefit the students generated by that development; therefore, a benefit nexus is established.

ESTABLISHMENT OF A BURDEN NEXUS

New students generated by development will create a need for additional and/or reconstructed school facilities. The burden on the district will be to construct new facilities to house the students generated by future developments and the need for such facilities will be, in part, satisfied by the levying of developer fees. Therefore, a burden nexus is established.

ESTABLISHMENT OF A SPECIAL ACCOUNT

Pursuant to Government Code §66006, the district has established a special account in which fees for capital facilities have been 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 §66006 (b)(1) was amended by SB 1693 and includes specific information on fees expended and refunds made during the year.



SOURCES

California Department of Education, California Longitudinal Pupil Achievement Data System, District Enrollment

Lakeside Union School District, District Staff, Inter-district Transfers & Classroom Loading Standards

California Department of Education, School Facilities Fingertip Facts

California Education Code §17620-17626

California Government Code §65995-65998

Erickson-Hall Construction, School Construction Costs, November 2019.

Office of Public School Construction, Report of the Executive Officer, SAB Meeting, January 22, 2020. *Index Adjustment on the Assessment for Development*

Projected Housing Units, County of San Diego, Planning & Development Services,

Grossmont Union High School District, Letter from Calculation of Fee Allocation

U.S. Census American Community Survey, 2018 1-Year Estimate

Guide to School Site Analysis and Development, 2000 Edition, California Department of Education

EXHIBITS

Exhibit A

Index Adjustment of Assessment for Development Fees

REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, January 22, 2020

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) at its January meeting. 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.

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STAFF ANALYSIS/STATEMENTS

A historical comparison of the assessment rates for development fees for 2016 and 2018 are shown below for information. According to the RS Means, the cost index for Class B construction increased by 7.64, during the two-year period from January 2018 to January 2020, requiring the assessment for development fees to be adjusted as follows beginning January 2020*:

RS Means Index Maximum Level I Assessment Per Square Foot

	2016	2018	2020
Residential	\$3.48	\$3.79	\$4.08
Commercial/Industrial	\$0.56	\$0.61	\$0.66

*Assembly Bill 48 (O'Donnell) includes provisions related to development fees. In the event that Proposition 13 is approved by the voters in March 2020, the provisions of Assembly Bill 48 will take effect and may change the fee amounts above for certain types of development projects.

RECOMMENDATION

Increase the 2020 maximum Level I assessment for development in the amount of 7.64 percent using the RS Means Index to be effective immediately.

Exhibit B

School Attendance Boundaries

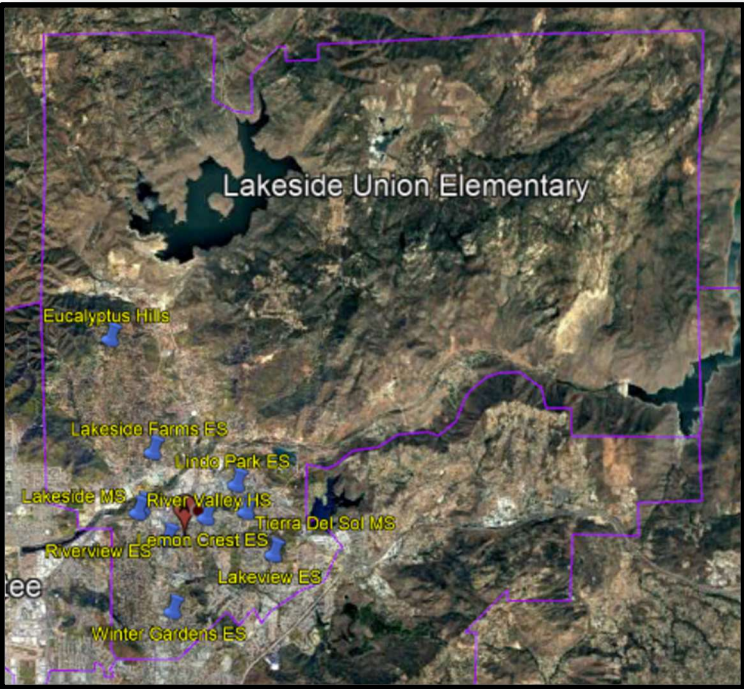
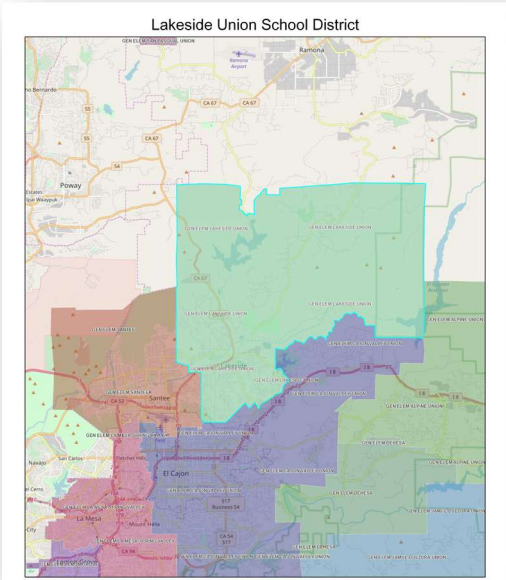


Exhibit C

Calculation of Developer Fee Allocation

Applicable Fee Amounts	<u>Lakeside Union SD</u>	<u>GUHSD</u>	<u>TOTAL</u>
<u>Fee Effective January 1, 1987 (School Fee Legislation)</u>			
New Residential Construction	\$0.93	\$0.57	\$1.50
New Commercial & Industrial Construction	\$0.16	\$0.09	\$0.25
<u>Fee Adopted by SAB on January 22, 2020</u>			
Residential Construction	\$2.53	\$1.55	\$4.08
New Commercial & Industrial Construction	\$0.41	\$0.25	\$0.66

Exhibit D-1

Elementary School Construction Costs

State standards recommend that an elementary school reside on approximately 11.7 acres and is capable of housing 600 students. Building space was calculated based on 71 sq. ft. per elementary school student. It is with these assumptions that the total cost of land acquisition and school construction are presented:

<u>ELEMENTARY SCHOOL</u>		Students	600	COST
<u>Site Costs</u>				
Land Acquisition Cost				\$9,173,736
Acres (State Std.) -- 11.7 ac		11.7		
Cost per Acre ¹ @ \$18/sq. ft.		\$784,080		
<u>Total Land Acquisition Cost</u>				\$9,173,736
<u>Construction Costs</u>²				
	<u>Sq. Ft.</u>	<u>Cost/Sq. Ft</u>		
Building, @ 71 sq. ft/student X 600 students	42,600	\$463	\$19,723,800	
Site, 42,600 sq ft @ \$75/sq ft	42,600	\$90	\$3,834,000	
<u>Total Construction Cost</u>				\$23,557,800
<u>PLUS:</u>				
Construction Management		10%		\$2,355,780
Soft costs		30%		\$7,067,340
Contingency		3%		\$707,441
FF&E		5%		\$1,177,890
<u>TOTAL ESTIMATED COST</u>				\$44,039,987
<u>Cost per Student</u>				\$73,399.98
¹ Assumes site acquisition cost only; estimate provided by Eric Knowles of Kidder, Matthews				
² Data provided by Erickson Hall Construction Company, Chris Bartok, November, 2019				

Exhibit D-2

Middle School Construction Costs

State standards recommend that a middle school reside on approximately 21.9 acres and is capable of housing 1,000 students. Building space was calculated based on 85 sq. ft. per middle school student. It is with these assumptions that the total cost of land acquisition and school construction are presented:

<u>MIDDLE SCHOOL</u>	Students	1000	COST
<u>Site Costs</u>			
Land Acquisition Cost			\$17,171,352
Acres (State Std.) -- 21.9 ac	21.9		
Cost per Acre ¹ @ \$18/sq. ft.		\$784,080	
<u>Total Land Acquisition Cost</u>			\$17,171,352
<u>Construction Costs</u>²			
	<u>Sq. Ft.</u>	<u>Cost/Sq. Ft.</u>	
Building, @ 85 sq. ft/student X 600 students	85,000	\$486	\$41,322,750
Site, 42,600 sq ft @ \$75/sq ft	85,000	\$95	\$8,032,500
<u>Total Construction Cost</u>			\$49,355,250
<u>PLUS:</u>			
Construction Management		10%	\$4,935,525
Soft costs		30%	\$14,806,575
Contingency		3%	\$1,482,140
FF&E		5%	\$2,467,763
<u>TOTAL ESTIMATED COST</u>			<u>\$90,218,604</u>
<u>Cost per Student</u>			<u>\$90,218.60</u>
¹ Assumes site acquisition cost only; estimate provided by Eric Knowles of Kidder Matthews			
² Data provided by Erickson Hall Construction Company, Chris Bartok, November 2019			