

ACALANES UNION HIGH SCHOOL DISTRICT

DEVELOPER FEE JUSTIFICATION DOCUMENT FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENT PROJECTS – LEVEL 1



**TOTAL SCHOOL SOLUTIONS
4751 MANGELS BOULEVARD
FAIRFIELD, CA 94534**

December 30, 2022

Acalanes Union High School District

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December 2022

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TABLE OF CONTENTS

FOREWORD	1
INTRODUCTION	3
I. DISTRICT FACILITY NEEDS	4
II. REVENUE FROM FEES ON RESIDENTIAL DEVELOPMENT VERSUS COSTS OF SCHOOL FACILITIES	6
III. FINANCIAL EFFECT ON THE DISTRICT OF NEW COMMERCIAL /INDUSTRIAL DEVELOPMENT	8
IV. FINDINGS.....	11
V. RECOMMENDATIONS	14
APPENDIX A: ELIGIBILITY DETERMINATION.....	15
APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT	17
EXHIBIT A	27
PROCEDURE TO APPEAL IMPOSITION OF.....	27
COMMERCIAL OR INDUSTRIAL DEVELOPMENT FEE.....	27

FOREWORD

This “Developer Fee Justification Document” is an update of a prior document dated February 20, 2020 prepared for the Acalanes Union High School District by Cooperative Strategies. It has been prepared to incorporate more recent data for residential development data and other factors that influence the justification of developer fees on residential and commercial/industrial developments.

Government code stipulates that the maximum fees that can be imposed on a development be adjusted every two years in even numbered years by the change in the Class B Construction Cost Index (CCI), as determined by the SAB. In January 2020, the SAB increased Level 1 fees to \$4.08 per square foot on residential construction and to \$0.66 per square foot on commercial/industrial construction. On March 4, 2020, the District adopted these maximum fees based on a 70/30 percent split, whereby the District received 30% of the maximum fees. On February 23, 2022, the SAB increased Level 1 fees to \$4.79 per square foot on residential construction and to \$0.78 per square foot on commercial/industrial construction and adjusted the SFP grants to be the following costs per student (grant amounts include Automatic Fire Detection/Alarm System and Automatic Sprinkler System):

<u>Grades</u>	<u>New Construction</u>	<u>Modernization</u>
K-6	\$14,885	\$5,749
7-8	15,781	6,069
9-12	20,021	7,891
Non-Severe	28,051	12,207
Severe	41,937	18,244

This updated 2022 study includes the need for new/replacement facilities and modernization/renovation to provide student housing for students generated from future residential construction.

The various sections in this report documents many of the more recent data since the 2020 study in preparing this Developer Fee Justification Document.

Total School Solutions

Total School Solutions
December 30, 2022

EXECUTIVE SUMMARY

The Acalanes Union High School District (District) is justified to collect the legal maximum fee of \$1.437/sf (\$4.79 x 30%) of residential development as authorized by Government Code Section 65995 (Level 1 fees), as future residential development creates a school facility cost that exceeds \$1.437 per square foot. The District is also justified to collect the legal maximum fee of \$0.234/sf (\$0.78 x 30%) of development on all categories of commercial/industrial development (except rental self-storage), as those categories of development create school facility costs that exceed \$0.234 per square foot of future development. Fees for new rental self-storage should be established on an individual case-by-case basis.

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, it is projected that there will be 6,500 new housing units and 550 new students in the District from those residential developments. These students will require the District to provide its students with adequate school facilities. The District's cost to provide for adequate facilities for current and future students is estimated to be \$34,023,100. Passage of Measure E in 2008, Level 1 developer fees and an undetermined amount of state facilities funds would meet part of the need but leave a significant shortfall of for future financing.
2. Each square foot of future residential development creates an estimated school facilities cost that exceeds \$1.437 per square foot. All categories of commercial/industrial development (except rental self-storage) create an estimated school facilities cost that exceeds \$0.234 per square foot of commercial/industrial development.
3. If the District collects the current maximum fee on residential development authorized by Government Code Section 65995 of \$1.437 per square foot, fee revenue will only partially offset school facility costs to house its enrollment. If the District collects the current maximum fee on commercial/industrial development authorized by Government Code Section 65995 of \$0.234 per square foot, fee revenue will offset a small portion of the school facility cost attributable to commercial/industrial development. For both residential and commercial/industrial development, the fees authorized by Government Code Section 65995 are fully justified.

The fees outlined above all meet the requirements of Government Code Section 66001 (the nexus requirements); that is, a reasonable relationship exists between the amount and use of the fees and the developments on which they are charged.

INTRODUCTION

This report analyzes the cost of providing school facilities for students in the Acalanes Union High School District (District). Total School Solutions has been retained by the District to conduct the analysis and prepare this report.

A. Purpose and Scope

The purpose of this report is to show that the District meets pertinent requirements of state law regarding the collection of developer fees.

State law gives school districts the authority to charge fees on new residential and commercial/industrial developments if those developments generate additional students and cause a need for school facilities. Government Code Section 65995 authorizes school districts to collect fees on future development of no more than \$4.79 per square foot for residential construction and \$0.78 for commercial/industrial construction (Level 1 fees). Level 1 fees are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. Government Code Section 66001 requires that a reasonable relationship exist between the amount and use of the fees and the development on which the fees are to be charged.

This report:

- Identifies the cost of providing school facilities for students generated by future residential and commercial/industrial development 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.

B. Brief Description of the Acalanes Union High School District

The District had the following 2022-23 student enrollments in grades 9-12 serving the cities/communities of Walnut Creek, Lafayette, Orinda, Moraga and Canyon and operated the following schools.

School	2022-23
Acalanes High School	1,238
Campolindo High School	1,343
Las Lomas High School	1,571
Miramonte High School	1,169
ACIS	47
NPS	30
Transition	21
Total	5,419

I. DISTRICT FACILITY NEEDS

This section describes the District's requirements for school facilities.

A. Measure E

The District voters passed Measure E, a \$93 million Proposition 39 bond measure on November 4, 2008, with a 64.26% affirmative vote. The ballot language stated:

“To establish a ten year technology fund, upgrade instructional classroom technology, replace worn, aging roofs, convert obsolete facilities into additional classroom space, upgrade electrical and energy management systems to improve efficiency, and repair, construct, equip or upgrade school facilities. Under the law, the revenue from Measure E can only be spent on building and renovating facilities and technology updating.”

The resolution calling for the bond included a list of projects to be funded, which provided no additional classroom space but would be used to bring classrooms up-to-date, replace aging systems, reduce operating costs, renovate, repair and upgrade facilities, etc. at the existing schools and districtwide.

After passage of Measure E, the District sold, on March 30, 2010, Series A bonds of \$29,999,818 to fund the first phase of work. On August 1, 2011, Series B bond issue for \$37,999,106 was sold. On April 28, 2016, the District sold Series C bonds for \$13,676,447. With the sale of all bonds and all funds committed and/or encumbered, the Measure E bond program will be complete.

Measure E funds were dedicated to resolving facilities issues with the existing facilities, and there was no specific identification of the need to provide facilities for the future student population from residential construction. There was, therefore, the need for additional funding to meet future facility needs.

B. Unmet District Facilities Needs

To partially meet the unfunded needs for existing facilities and the projected new students expected over the next five years, two categories of need were documented, as follows:

- New/Replacement School Construction
- Modernization/Renovation

The need and estimated costs are discussed below.

Share of Unmet District Facilities Needs Attributed to New Students

It is projected that 1,300 new housing units will be constructed annually over the coming years with 15% consisting of SFD and 85% consisting of MFA. This level of construction and yield rates would generate approximately 110 new 9-12 students each year (see Appendix C for detail). The 9-12 projections presented in Appendix B estimates that enrollment from residential construction and enrollment recovery from the impact of COVID-19 will result in a total enrollment of 5,671 in five years.

The impact of 550 new students generated by residential and commercial development by 2027-28 would include the need for new and replacement facilities, which is estimated to be \$22,023,100 (Appendix C). The District will also have modernization eligibility by 2025-26 with a 40% District match requirement totaling in excess of \$12,000,000 (Appendix A).

Construction Cost Summary

The total costs of the District's facility need over the next five years are summarized as follows:

Construction Cost Summary (Five years)	Cost
Students from New Residential Construction Over the Next Five Years	\$22,023,100
Modernization Eligibility Over the Next Five Years (40% Match Requirement)	\$12,000,000
Total Cost	\$34,023,100

C. Fee per Square Foot

Based on an estimated 1,300 new housing units constructed annually, it is estimated that approximately 1,592,500 square feet of space each year, or 7,962,500 square feet of new construction over the next five years would be subject to a Level 1 developer fee. Assuming the maximum fee of \$1.437/sf (\$4.79 x 30%), that would raise \$11,442,112, or about one-third of the total need of \$34,023,100. To raise \$34,023,100, a fee of \$4.27/sf would have to be levied. Based on the above costs, the fee per square foot that could be levied would exceed the legal maximum of \$1.437/sf, and the maximum fee of \$1.437/sf is therefore justified.

II. REVENUE FROM FEES ON RESIDENTIAL DEVELOPMENT VERSUS COSTS OF SCHOOL FACILITIES

This section compares the projected revenues from fees levied on future residential development to the school facility costs attributable to that development.

State law currently caps Level 1 Fees at \$4.79 per square foot for the current year with the District receiving 30% of that fee (\$1.437/sf). As demonstrated in this report, each square foot of future residential development will generate a school facility cost greater than \$1.437/sf. Any given amount of future development will, therefore, generate more school facility costs than Level 1 Fee revenue.

A. Fee Revenue from Residential Development Over the Next Ten Years

If the District were to collect the maximum allowable Level 1 fee (\$1.437) on new residential development, the District would collect approximately \$11,442,112 in residential developer fees over a five-year projection period, for an average of \$2,288,422 per year.

B. Fee Revenue from Additions to Existing Residences

Fees will be generated by additions to existing residences. This report does not account separately for fee revenue from additions to existing residences, as they have already been included in the estimated collection of developer fees. The fee revenue calculation for additions is the same as for new units. Pursuant to Education Code Section 17620(a)(1)(C)(i), developer fees may be charged on residential additions “only if the resulting increase in assessable space exceeds 500 square feet.”

C. Fee Revenue from Reconstruction and Redevelopment

Fees may also be generated by residential units in redevelopment projects and single and multi-family units that replace demolished units (to the extent that the new units are larger than the demolished units). No such fee revenue is considered in this report.

D. School Facility Costs Generated by Residential Development Over the Next Five Years

The total school facility cost attributable to future residential development over the next five years was calculated in this report at \$22,023,1000.

E. Extent of Mitigation of School Facility Costs Provided by Level 1 Residential Fees

The total residential Level 1 fee revenue of \$11,442,112 would cover approximately 33.6 percent of the \$34,023,100 in total school facility costs attributable to new students from residential development and modernization eligibility over the next five years.

F. Senior Citizen Restricted Housing

As required by law, a lower fee, currently the commercial/industrial maximum of \$0.78 per square foot is established for certain types of residences that are restricted in occupancy to senior citizens. Housing of this type generates employees and has an indirect impact on the school district similar to that from commercial/industrial development projects.

III. FINANCIAL EFFECT ON THE DISTRICT OF NEW COMMERCIAL /INDUSTRIAL DEVELOPMENT

Commercial/industrial development will attract additional workers to the District, and, because some of those workers will have school-age children, will generate additional students in the District. New commercial/industrial development, therefore, creates a fiscal impact on the District by generating a need for new or modernized school facilities.

2022 Update

According to current Development Projects lists for Walnut Creek and Lafayette, the following commercial projects were in various stages of planning:

<u>Project</u>	<u>Sq. Ft.</u>
WC BART Transit Village	30,000
Lifetime Athletic	75,000
1380 N. California Blvd.	16,323
1910 N. Main Street	10,000
The Heritage	4,870
Bank of America	8,534
Hilton Garden Inn – 124 Room Hotel	-
F & M Bank	5,700
7-Eleven/Unocal	2,810
The Foundry Market Hall	24,472
Mercedes Dealership	4,221
Unocal/76 Gas Station	997
1532 Mt. Diablo Blvd.	24,000
Oakmont Senior Housing	116,759
Primrose Preschool	12,838
1455 Montego Senior Living	5,412
210 Lafayette Circle	<u>25,450</u>
Total	338,168

If the maximum allowable developer fee of \$0.234/sf ($\$0.78 \times 30\%$) was levied, the commercial fees from 338,168 sf of space would be \$79,131, not including a 124 room hotel.

The report multiplies the following five factors together to calculate the school facility cost incurred by the District per square foot of new commercial/industrial development:

- A. Employees per square foot of new commercial/industrial development,
- B. Percent of employees in the District that also live in the District,
- C. Houses per employee,
- D. Students per house, and
- E. School facility cost per student.

The report calculates each of these factors in the next sections.

A. Employees per Square Foot of Development

Education Code Section 17621 (e)(1)(B) states that “to determine the impact of the increased number of employees anticipated to result from the commercial or industrial development...shall be based upon...the January 1990 edition of the San Diego Traffic Generators, a report of the San Diego Association of Governments.” (SANDAG)

**Employees Per Square Foot of Commercial/Industrial
Development, by Category**

Commercial/Industrial Category	Average Square Foot per Employee	Employees per Average Square Foot
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	17,096	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	208	0.00480
Large High-Rise Com. Office	232	0.00432
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: SANDAG Traffic Generators report, January 1990.

B. Percentage of Employees Residing Within the District

According to the February 2020 Developer Fee report, approximately 42.84 percent of people working in the District also live in the District.

C. Number of Households per Employee

According to the February 2020 Developer Fee report, there are approximately 0.873 workers per household.

D. Number of Students per Dwelling Unit

According to the February 2020 Developer Fee report, 0.1425 9-12 students will reside in each housing unit. (Note: The allowed state yield rate for School Facility Program applications is 0.20.)

E. School Facility Cost per Student

The OPSC website calculated a February 23, 2022, 9-12 new construction cost of \$40,042 (\$20,021 x 2).

F. School Facility Cost per Square Foot of Commercial/Industrial Development

The following table calculates the school facility cost generated by a square foot of new commercial/industrial development for each of the categories of commercial/industrial projects listed in Section A.

School facility costs for development projects not included on this list may be estimated by using the closest employee-per-square foot ratio available for the proposed development or by following the District's administrative procedures for appeals of school facility fee imposition.

Facility Cost Per Square Foot of Commercial/Industrial Development, by Category

Category	Employees per Square Foot	% Employees Residing in District	Dwelling Units per Employee	9-12 Students Per Dwelling Unit	Cost per K-12 Student	Cost per Square Foot
Banks	0.00283	0.4284	0.873	0.1425	\$40,042	\$6.03
Community Shopping Centers	0.00153	0.4284	0.873	0.1425	\$40,042	\$3.26
Neighborhood Shopping Centers	0.00271	0.4284	0.873	0.1425	\$40,042	\$5.78
Industrial Business Parks	0.00352	0.4284	0.873	0.1425	\$40,042	\$7.51
Industrial Parks	0.00135	0.4284	0.873	0.1425	\$40,042	\$2.88
Rental Self Storage	0.00006	0.4284	0.873	0.1425	\$40,042	\$0.13
Scientific Research & Development	0.00304	0.4284	0.873	0.1425	\$40,042	\$6.49
Lodging	0.00113	0.4284	0.873	0.1425	\$40,042	\$2.41
Standard Commercial Office	0.00480	0.4284	0.873	0.1425	\$40,042	\$10.24
Large High-Rise Com. Office	0.00432	0.4284	0.873	0.1425	\$40,042	\$9.22
Corporate Offices	0.00269	0.4284	0.873	0.1425	\$40,042	\$5.74
Medical Offices	0.00427	0.4284	0.873	0.1425	\$40,042	\$9.11

IV. FINDINGS

This section shows that the District meets the requirements of Government Code Section 66001 regarding the collection of developer fees and summarizes other potential funding sources for the District's capital projects.

A. Government Code Section 66001(a)(1) – Purpose of the Fee

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities for the students generated by new residential and commercial/industrial developments.

B. Government Code Section 66001(a)(2) – Use of the Fee

The District's use of the fee will involve modernizing existing facilities and constructing new school facilities that is attributed to new students. The fees may be used to construct additional facilities on existing school campuses and/or reconstructing school campuses. The District may also need to purchase or lease portable classrooms.

Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

- 1) Land (purchased or leased) for school facilities,
- 2) Design of school facilities,
- 3) Permit and plan checking fees,
- 4) Construction or reconstruction of school facilities,
- 5) Testing and inspection of school sites and school buildings,
- 6) Furniture for use in new school facilities,
- 7) Interim school facilities (purchased or leased) to house students generated by new development while permanent facilities are being constructed,
- 8) Legal and administrative costs associated with providing facilities to students generated by new development,
- 9) Administration of the collection of developer fees (including the costs of justifying the fees) and
- 10) Miscellaneous purposes resulting from student enrollment growth caused by new residential development.

C. Government Code Section 66001(a)(3) – Relationship Between Fee's Use and the Type of Project Upon Which Fee is Imposed.

Future residential development will cause new families to move into the District and, consequently, will generate additional students in the District. As shown in Section I of this report, adequate school facilities do not exist for these students. Future residential development, therefore, creates a need for facilities construction or reconstruction. The fee's use (acquiring school facilities) is, therefore, reasonably related to the type of project (future residential development) upon which it is imposed.

New commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial will

also generate new students in the District. Adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is, therefore, reasonably related to the type of project (new commercial/industrial development) upon which it is imposed.

D. Government Code Section 66001(a)(4) – Relationship Between the Need for the Public Facility and the Type of Project Upon Which Fee is Imposed

Future residential and commercial/industrial development in the District will generate new students and, consequently, a need for additional school facilities. A relationship exists, therefore, between the District's need to provide school facilities and the construction of new residential and commercial/industrial development projects.

E. Government Code Section 66001(b) – Relationship Between the Fee and the Cost of the Public Facility Attributable to the Development on Which the Fee is Imposed

This report demonstrates that the school facility cost attributable to future residential development exceeds \$1.437/sf (\$4.79 x 30%). Level 1 fees of \$1.437 per square foot on residential development are, therefore, fully justified.

This report also demonstrates that the school facility costs attributable to all categories of commercial/industrial development except rental self-storage range exceeds \$0.78 per square foot. Level 1 fees of \$0.234/sf (\$0.78 x 30%) on these types of development are, therefore, fully justified. The school facility cost attributable to rental self-storage units is \$0.039/sf (\$0.13 x 30%) per square foot. Fees for this type and other low-employee-generating types of development should be examined on a case-by-case basis.

F. Other Funding Sources

The following is a review of potential other funding sources for constructing school facilities.

1) General Fund

The District's General Fund budget is typically committed to instructional and day-to-day operating expenses and not used for capital outlay uses, as funds are needed to meet the District's non-facility needs. General Fund monies may, however, be used for portable lease payments, COPs, or facilities projects if other funding sources are insufficient to meet commitments.

2) State Programs

The District will have future modernization eligibility under the School Facility Program. The State match allowance of 60 percent for modernization, however, leaves a shortfall between State funding and the District's actual facility needs. The School Facility Program could fund future modernization applications if state and local match funds are available. State funds for deferred maintenance cannot be used to pay for new facilities. State law prohibits use of lottery funds for facilities.

3) General Obligation Bonds

School districts can, with the approval of two-thirds or 55 percent of its voters, issue general obligation bonds that are paid for with property taxes. The District passed a \$93 million Proposition 39 bond measure (Measure E) in November 2008, which will be applied to specific District projects. The local bond measure provides funds for part of the local needs, but the bonds do not meet all the financial needs to provide school facilities for future students generated from new construction.

4) Parcel Taxes

Approval by two-thirds of the voters is required to impose taxes that are not based on the assessed value of individual parcels. While these taxes have been used in school districts, the revenues are typically used to supplement operating budgets.

5) Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from two-thirds of the voters (or landowners if fewer than 12) in an election.

6) Undeveloped Land/Surplus Property

The District owns undeveloped land at Miramonte and Campolindo, and Del Valle is surplus property. There is, therefore, the potential for future sales that could generate revenue to be used to partially finance school construction or reconstruction.

7) Redevelopment

The District has no Redevelopment Agency funds in effect.

V. RECOMMENDATIONS

This report recommends that the District levy the maximum statutory fee authorized by law of \$4.79 per square foot of residential development, with the District receiving 30% of the fee. The report also recommends that the District levy the maximum fee as authorized by law of \$0.78 per square foot, on all categories of commercial/industrial development except rental self-storage, with the District receiving 30% of the fee. Developer fees for rental self-storage and other types of low employee generating developments should be examined on a case-by-case basis.

These recommendations are based on the findings that residential and commercial/industrial development creates a school facility cost for the District that is larger than the revenue generated by charging these fees.

APPENDIX A: ELIGIBILITY DETERMINATION

Under the State School Facility Program, the District filed new construction, a career technical education, and modernization applications with OPSC/SAB. The projects were approved and funded with the District providing its match requirements as listed in the tables below. The financial data comes from the OPSC/SAB website which maintains current project status for all school districts.

Project	School	Year Funded	SAB Funding	District Funding
50/01-001	Acalanes High	1999	\$ 940,248	\$ 940,248
50/01-002	Acalanes High	2005	587,060	587,060
Totals			\$1,527,308	\$1,527,308

Project	School	Year Funded	SAB Funding	District Funding
55/01-001	Las Lomas High	2022	\$1,615,242	\$1,615,242
Totals			\$1,615,242	\$1,615,242

Project	School	Year Funded	SAB Funding	District Funding	SAB Percentage
57/01-001	Campolindo High	2000	\$2,936,954	\$734,239	80
57/01-022	Acalanes High	2000	3,809,125	952,282	80
57/01-003	Las Lomas High	2000	4,587,941	1,146,986	80
57/01-004	Del Oro High	2000	327,505	81,876	80
57/01-005	Miramonte High	2000	4,235,269	1,058,817	80
57/01-006	Acalanes High	2005	1,459,778	973,186	60
57/03-007	Campolindo High	2006	1,796,039	1,197,359	60
Totals			\$19,152,611	\$6,144,745	

Eligibility for a modernization project is based on permanent facilities that are 25 years old and portable facilities that are 20 years old and is established when Form SAB 50-03 is filed with the State and the State Allocation Board (SAB) approves it. A school district designs and submits a project to the Division of State Architect (DSA) and the California Department of Education (CDE). The district awaits both agencies' approvals before filing an application (Form SAB 50-04), which establishes funding for a project. If advantageous, a district may file a revised SAB 50-03 to reflect recent enrollment data. After a project has been bid, the district files Form SAB 50-05 to request a release of state funds for the project. Because schools are eligible for modernization after 25 years, the District's funded schools will again be eligible for modernization grants beginning in about 2025.

The state SFP Modernization grant amounts for school facilities under 50 years old for grades K-6, 7-8, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on February 23, 2022. The grant amounts, including automatic fire detection/alarm systems, are as follows:

Modernization Grants

Grades	Base Grant	Fire Detection/ Alarm	Grant per Student
K-6	\$5,568	\$181	\$5,749
7-8	\$5,888	\$181	\$6,069
9-12	\$7,710	\$181	\$7,891
SDC-Non-Severe	\$11,873	\$334	\$12,207
SDC- Severe	\$17,746	\$498	\$18,244

For school facilities over 50 years old the state grant amounts are considerably higher.

The School Facility Program Handbook, published by the Office of Public School Construction (January 2019), states the following regarding modernization eligibility:

“Establishing eligibility for modernization funding under SFP is site specific rather than district-wide and is also more simplified than establishing new construction eligibility. Applications are submitted on a site basis, rather than district-wide or HSAA, as is the case for new construction. To be considered eligible, permanent buildings must be at least 25 years old, and relocatable buildings must be at least 20 years old. To determine the age of the building, the 20 and 25-year period shall begin 12 months after the plans for the building were approved by the Division of State Architect (DSA). If the facility has previously been modernized with state funding, then the 20 or 25-year period begins on the date of the last SAB approved apportionment for modernization funding at the site.”

The modernization applications (57/001 – 57/005) that were funded in 2000 will become eligible again in 2025. The applications could move forward in the future and, if approved, the District would need to contribute its developer fees for the projects to obtain state funds up to the amount of the match requirement. It is assumed that the District’s 40% match requirement would be at least \$12,000,000 and probably much more when inflation increases are applied and additional applications are filed.

APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT

The following enrollments were compiled from CDE's CALPADS records for 2016-17 through 2022-23.

K-12 cohort growth is the movement of students from one grade one year to the next higher grade the following year. It is the best indicator of net migration, which is the combined impact of inter-district transfers, in/out-migration, residential growth, transitional kindergarten (TK), changes in vacancy rates, movement of students to or from private/charter schools, home schooling, county programs, etc. Eighth grade students in charter and private schools and home schooled students move into public high school at grade 9, resulting in a cohort increase for that grade. The transitional kindergarten (TK) program, which began in 2012-13, is fully implemented and has had an impact on overall enrollment. Because TK is a two-year program, the first-year TK enrollment advances only to regular kindergarten in its second year.

Beginning in 2020, there was a significant impact on enrollment due to COVID-19 as seen in the cohorts for 2020-21 and 2021-22. It is expected that enrollments will increase back to their prior averages after the effect of COVID-19 passes.

Walnut Creek Elementary School District							
Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹							
Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	432	475	434	472	437	424	
1	366	374	399	367	376	372	
2	363	360	382	404	369	364	
3	391	373	369	376	375	355	
4	403	390	366	375	360	355	
5	387	406	387	364	383	340	
6	420	387	411	384	378	377	
7	415	408	387	420	378	374	
8	412	420	410	393	411	369	
Total	3,589	3,593	3,545	3,555	3,467	3,330	3,438

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.

Lafayette Elementary School District**Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹**

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	397	397	398	370	331	354	
1	389	373	382	358	322	312	
2	361	400	370	387	342	316	
3	393	371	403	388	372	340	
4	421	400	379	402	371	369	
5	415	420	415	375	387	360	
6	396	422	414	417	349	369	
7	429	388	432	411	388	340	
8	414	420	383	429	399	376	
Total	3,615	3,591	3,576	3,537	3,261	3,136	3,169

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.**Orinda Union Elementary School District****Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹**

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	311	292	295	308	320	319	
1	238	269	258	253	254	273	
2	274	242	279	266	249	271	
3	267	276	245	287	255	257	
4	308	279	284	254	272	268	
5	268	314	283	299	250	277	
6	276	279	325	289	285	261	
7	293	294	287	323	278	286	
8	307	298	290	289	315	277	
Total	2,542	2,543	2,546	2,568	2,478	2,489	2,526

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.**Moraga Elementary School District****Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹**

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	212	211	223	217	160	205	
1	170	184	186	179	181	127	
2	185	168	190	196	181	184	
3	208	194	173	194	193	177	
4	219	209	210	177	200	194	
5	206	224	213	217	180	200	
6	215	203	223	223	230	185	
7	223	211	212	228	222	223	
8	260	228	221	224	222	229	
Total	1,898	1,832	1,851	1,855	1,769	1,724	1,735

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.

Canyon Elementary School District

Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	8	8	9	7	6	7	
1	8	7	7	9	7	8	
2	8	9	7	8	11	9	
3	10	8	9	7	8	8	
4	8	10	8	9	7	8	
5	6	7	9	8	8	6	
6	11	6	7	10	8	10	
7	6	9	4	7	8	9	
8	7	8	8	4	9	8	
Total	72	72	68	69	72	73	73

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.

Feeder Elementary School Districts

Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
K	1,360/	1,383/	1,359/	1,374/	1,254/	1,309/	
1	1,171/	1,207/-153	1,232/-151	1,166/-193	1,140/-234	1,092/-162	
2	1,191/	1,179/8	1,228/21	1,261/29	1,152/-14	1,144/4	
3	1,269/	1,222/31	1,199/20	1,252/24	1,203/-58	1,137/-15	
4	1,359/	1,288/19	1,247/25	1,217/18	1,210/-42	1,194/-9	
5	1,282/	1,371/12	1,307/19	1,263/16	1,208/-9	1,183/-27	
6	1,318/	1,297/15	1,380/9	1,323/16	1,250/-13	1,202/-6	
7	1,366/	1,310/-8	1,322/25	1,389/9	1,274/-49	1,232/-18	
8	1,400/	1,374/8	1,312/2	1,339/17	1,356/-33	1,259/-15	
Total	11,716/	11,631/-68	11,586/-30	11,584/-64	11,047/-452	10,752/-248	10,941/

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.

Acalanes Union High School District

Historical CBEDS/CALPADS Enrollment and Cohort Growth ¹

Grades	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
9	1,366/	1,458/58	1,464/90	1,366/54	1,338/-1	1,369/13	1,337/78
10	1,385/	1,376/10	1,449/-9	1,446/-18	1,332/-34	1,335/-3	1,390/21
11	1,433/	1,377/-8	1,362/-14	1,438/-11	1,420/-26	1,324/-8	1,336/1
12	1,318/	1,426/-7	1,408/31	1,385/23	1,445/7	1,438/18	1,335/11
Ungraded	28/	25/-3	0/-25	0/0	0/0	0/0	21/21
Total	5,530/	5,662/50	5,683/73	5,635/48	5,535/-54	5,466/20	5,419/132

¹ Source: California Basic Educational Data System (CBEDS), Department of Education.

Enrollment projections were prepared by applying the cohorts for the pre-COVID-19 years 2017-18 through 2019-20 as using 2020-21 and 2021-22 cohorts would distort the projections. By using the pre-COVID-19 cohorts it is assumed that enrollment would recover from the impact of COVID-19. Also, because of a projected increase in residential housing units over historical averages, the additional impact of enrollment growth has been added to the projections.

The historical cohort numbers for 2017-18 through 2019-20 are presented below.

Cohorts 2017-18/2019-20		Cohorts 2017-18/2019-20	
Grades	Average	Grades	Average
1/2	19	8/9	66
2/3	25	9/10	-6
3/4	21	10/11	-11
4/5	16	11/12	16
5/6	13	Total	65
6/7	9		
7/8	9		
Total	112		

The K/1 average cohort of -165 reflects the fact that TK is a two-year program and therefore TK students do not move on to grade 1. The 8/9 average cohort of 66 is impacted by charter/private school and home school students entering public education at grade 9. There is an historical impact on grade 9-12 enrollments from new students coming from residential construction, but the cohorts are also impacted by student attrition as some students leave public education. It was projected in Appendix C that 110 new annual 9-12 students would come from residential growth, but because some residential growth is assumed to be reflected in the cohorts, only half (55) of the new students were added to the projections. Based upon the evidence, the District projections are presented below.

Feeder Elementary School Districts Projected CBEDS/CALPADS Enrollment					
Grades	2022-23	2023-24	2024-25	2025-26	2026-27
K					
1					
2					
3					
4					
5					
6					
7					
8	1,264/	1,264/	1,320/	1,354/	1,318/
Total					

**Acalanes Union High School District
Projected CBEDS/CALPADS Enrollment**

Grades	Cohort	2023-24	2024-25	2025-26	2026-27	2027-28
9	66	1,330	1,330	1,386	1,420	1,384
10	-6	1,331	1,324	1,324	1,380	1,314
11	-11	1,379	1,320	1,313	1,313	1,369
12	16	1,352	1,395	1,336	1,329	1,329
Subtotal		5,392	5,369	5,359	5,442	5,396
Addl. Growth		55	110	165	220	275
Total		5,447	5,479	5,524	5,662	5,671

APPENDIX C: RESIDENTIAL DEVELOPMENT

The official developer fee collection records of the District are presented in the following table for 2016-17 through 2021-22, reflecting high levels of residential construction.

Capital Facilities Fund (Fund 25)

	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
Beginning Balance	2,657,429	2,603,847	3,572,324	3,874,682	4,586,569	2,737,842
Revenue	1,315,214	1,546,438	1,031,167	1,736,599	1,517,117	935,253
<u>Expenditures</u>	<u>1,368,796</u>	<u>577,961</u>	<u>728,809</u>	<u>1,024,712</u>	<u>3,365,844</u>	<u>635,641</u>
Ending Balance	2,603,847	3,572,324	3,874,682	4,586,569	2,737,842	3,037,454

It is assumed that developer fee revenue is based on new residential units, 500+ square feet additions to existing homes, commercial developments and other sources not identified. For 2020-21, assuming Level 1 collections based on \$1.224/sf (\$4.08/sf x 30%), the total square footage subject to the fee would be about 1,239,475 sf. Assuming a 15/85 split of SFD and MFA units and an average 2,500 sf/SFD and 1,000 sf/MFA, 1,239,475 would translate into approximately 1,128 housing units. For 2021-22, by applying a Level 1 fee of \$1.224/sf, the total square footage subject to the fee would be about 764,096 sf. By applying the same SFD/MFA assumptions, the number of housing units would be approximately 695.

The 2014-2023 Regional Housing Needs Allocation (RHNA) prepared in response to state law (SB375) allocated the following number of housing units, for an average 386 annual new housing units:

2015-2023 Regional Housing Needs Allocation

<u>Location</u>	<u>Very Low</u>	<u>Low</u>	<u>Moderate</u>	<u>Above Moderate</u>	<u>Total</u>
Walnut Creek	604	355	381	895	2,235
Lafayette	138	78	85	99	400
Orinda	84	47	54	42	227
Moraga	75	44	50	60	229
Total	901	524	570	1,096	3,091

The 2023-2031 Regional Housing Needs Allocation (RHNA) prepared in response to state law (SB375) allocated the following number of housing units, for an average 1,300 annual new housing units:

2023-2031 Regional Housing Needs Allocation

Location	Very Low	Low	Moderate	Above Moderate	Total
Walnut Creek	1,657	954	890	2,304	5,805
Lafayette	599	344	326	845	2,114
Orinda	372	215	215	557	1,359
Moraga	318	183	172	445	1,118
Total	2,946	1,696	1,603	4,151	10,396

Presented below is a compilation of residential development projects for Walnut Creek, Lafayette, Orinda, and Moraga from their respective websites. There may also be many residential development projects that are in unincorporated sections that may not be a part of the AUHSD. Also, the lists of subdivisions do not include the development of vacant lots and lot splits, which would mostly be SF units numbering in the hundreds.

Walnut Creek – June 30, 2021

<u>Residential – Under Construction</u>	<u>SF</u>	<u>MF</u>
Coral Homes		4
Transit Village Phase 2		358
1910 N. Main Street		135
Parkview Condos		7
1380 N. California Blvd.		70
San Miguel	1	
<u>Residential – Approved</u>		
Lincoln Ave. Triplex		3
1501 N. California Blvd.		27
Pioneer Village Townhomes		16
Carmel Drive Townhomes		11
Habitat for Humanity		42
Secluded Woods	6	
Fifteen 24 Residential		4
600 Ygnacio Valley Rd.		96
<u>Residential – Under Review</u>		
1532 Mt. Diablo Blvd.		42
2670-80 Walnut Blvd.	12	
Walden Townhomes		6
Oakmont Senior Housing		254
40 Garron Court	3	
Subtotal	22	1,075

Lafayette

<u>Residential</u>	<u>SF</u>	<u>MF</u>
210 Lafayette Circle		12
3458 Mt. Diablo Blvd. and 1005 2 nd St.		9
942 Dewing Ave.	5	
952 Hough Ave.		20
Chestnut Townhomes		5
Lafayette Lane		166
Lafayette Park Terrace		18
Lennar Homes "The Brant"		66
Lenox Homes "SIX"		6
Madison Park		71
Samantha Townhomes		12
Terraces of Lafayette		315
The Mill at Brown		13
Town Center III		62
Valley View		42
West End		13
Woodbury		56
Woodbury Highlands		99
Subtotal	5	985

Orinda

<u>Residential</u>	<u>SF</u>	<u>MF</u>
Vista Verde Senior Housing		52
Countryhouse Memory Care Project		38
J & J Ranch (Moraga Adobe)	13	
Laventha Lane	8	
Monteverde Senior Apartments		67
Orinda Oaks	12	
Orinda Grove		73
Wilder Subdivision	245	
Subtotal	278	230

Moraga

<u>Residential</u>	<u>SF</u>	<u>MF</u>
Hetfield Estates	7	
Indian Valley	71	
MCSP Area 14		123
MCSP Area 15 & 17	33	
Subtotal	111	123

GRAND TOTALS	416	2,413
	(15%)	(85%)

Based on the above allocations, the average annual need increased from 386 to 1,300 housing units for the eight-year periods. If the allocation of 1,300 units would be constructed and 15% percent of the units would be SF detached at 2,500 sf/unit and 85 percent would be MF attached at 1,000 sf/unit, the total annual square footage subject to the fee would be 1,592,500 sf. Based on a Level 1 fee of 30% of \$4.79, the total fee collected would be \$2,288,422 per year, which is higher than recent Level 1 fee collections.

Based upon estimated yield rates documented in the February 2020 Developer Fee study and 1,300 new annual housing units (195 SF and 1,105 MF) the number of students annually from new residential construction and the cost of construction would be the following:

Housing Units	Yield Rate	Students	Construction Cost Per Student	Construction Cost
SF	0.1633	32	\$20,021 (50%)	\$1,281,344
MF	0.0703	78	\$20,021 (50%)	\$3,123,276
Total		110		\$4,404,620

With an annual new construction cost of \$4,404,620, excluding inflation increases, the five-year cost would be \$22,023,100.

Conclusion

For this TSS Level 1 Justification Document, the Regional Housing Needs Allocation of approximately 1,300 new housing units annually will be used, assuming a 15/85 split between SFD and MFA. This report utilizes five years of growth, and significant growth of over 6,000 housing units is expected to occur by the year 2027. This level of construction would result in an estimated 550 new students over the next five years.

EXHIBIT A

PROCEDURE TO APPEAL IMPOSITION OF COMMERCIAL OR INDUSTRIAL DEVELOPMENT FEE

In accordance with Government Code Section 53080.1, subdivision (e)(2), the following appeals procedure is available to any developer who wishes to contest a fee imposed by the District on residential, commercial or industrial development.

A. Procedure to Appeal Fee Imposition

1. Written Statement of Appeal

- a. Any appeal of the administration's decision to impose fees on development must be presented to the District's Superintendent or his/her designee in writing.
- b. The developer's written statement of appeal shall be dated and include the specific grounds for the appeal and any information that supports the developer's contention that the fee imposition is improper.
- c. The written statement of appeal must be submitted by the developer to the Superintendent or his/her designee within five (5) days of the administration's determination to impose the fee.

2. Appeal to Superintendent or His/Her Designee

- a. The Superintendent or his/her designee shall have an opportunity to investigate the contentions made in the developer's statement of appeal. In conjunction with this investigation, the Superintendent or his/her designee may request to meet with the developer.
- b. Within seven (7) days from the date of receipt of the developer's statement of appeal, the Superintendent or his/her designee shall mail the developer a decision in writing either granting or denying the appeal.

3. Governing Board

- a. If the developer is dissatisfied with the decision of the Superintendent or his/her designee, the developer may request a hearing before the governing board.
- b. The developer's request for a hearing must be received in the District office within seven (7) days of the date of the Superintendent's decision upholding the fee imposition.
- c. The date for the hearing shall be established by the District as soon as practicable following receipt of the developer's request. It shall be the District's prerogative to decide whether the hearing will be conducted at a regular meeting of the governing board or at a special meeting.

- d. As soon as possible and in no event less than five (5) days before the date set for the hearing, the District shall send the developer a written notice including the time, date and place set for the hearing.

B. Conduct of the Hearing

1. At the hearing, the developer shall bear the burden of establishing that the fee is improper.
 - a. The developer shall be allotted 15 minutes in which to present the information showing that the fee requirement is improper.
 - b. The District administration shall have 15 minutes in which to present information rebutting the developer's contentions.
 - c. The governing board has the discretion to grant either party or both additional times in which to present information in further support of their contentions.
2. Within five (5) days of the hearing, the governing board or its designee shall mail the developer a notice in writing of its decision either granting the appeal or upholding the fee imposition.
3. All hearings conducted pursuant to this section shall be informal in nature and be designed to determine the parties' contentions without unnecessary formality.

C. Miscellaneous

1. Any failure on the part of the developer to pursue their appeal within the timelines stated in this procedure shall result in the developer's forfeiture of their opportunity for a hearing before the governing board.
2. The timelines contained in this procedure may be extended by mutual written agreement of all parties.
3. It will be sufficient in meeting any of the notice requirements contained in this procedure for the District to send such notices to the developer by regular mail at their last known address as listed on their statement of appeal.
4. Whenever the deadline for any act required under this procedure falls on a Saturday, Sunday or holiday, the time shall automatically be extended to the next business day.