



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



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

April 2020

Washington Unified School District

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April 2020

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TABLE OF CONTENTS

FOREWORD	4
EXECUTIVE SUMMARY	5
INTRODUCTION	6
I. DISTRICT FACILITY NEEDS	8
II. REVENUE FROM FEES ON RESIDENTIAL DEVELOPMENT VERSUS COSTS OF SCHOOL FACILITIES	12
IV. FINDINGS.....	17
V. RECOMMENDATIONS	21
APPENDIX A: STATE ALLOCATION BOARD ELIGIBILITY DETERMINATION	22
APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT	25
HISTORICAL CALPADS ENROLLMENT AND COHORT GROWTH.....	25
APPENDIX C: RESIDENTIAL DEVELOPMENT.....	29
APPENDIX D: SITE ACQUISITION, DEVELOPMENT AND CONSTRUCTION	30
EXHIBIT A:	34
PROCEDURE TO APPEAL IMPOSITION OF.....	34
COMMERCIAL OR INDUSTRIAL DEVELOPMENT FEE.....	34

FOREWORD

This “Developer Fee Justification Document” is an update of prior documents dated November 2014 and April 2017 prepared for the Washington Unified School District. It has been prepared to incorporate data obtained since April 2017, such as changes made to California law and State Allocation Board (SAB) regulations, updated residential development data, State Allocation Board (SAB) construction grant allowance per student for School Facilities Program (SFP) projects and inflationary increases in construction costs.

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 at its January meeting. On January 24, 2018, the SAB increased Level 1 fees to \$3.79 per square foot on residential construction and to \$0.61 per square foot on commercial/industrial construction based on an 8.78 percent inflationary factor reported in the RS Means Construction Cost Index. On January 22, 2020, the SAB increased the legal maximum Level 1 developer fees to \$4.08 per square foot on residential construction and to \$0.66 per square foot on commercial/industrial construction based on a 7.64 percent inflationary factor reported in the RS Means Construction Cost Index for the two-year period from January 2018 to January 2020.

The State School Facility Program (SFP) grant allowances are adjusted annually in accordance with SFP regulations which require the SAB to adjust new construction and modernization grants to reflect cost changes in the Class B Construction Cost Index as determined by the SAB in January of each year. On January 23, 2019, the SAB adjusted the SFP grants to reflect a 5.45 percent increase during the period January 1, 2018 through December 31, 2018 using the RS Means Class B Construction Cost Index. On January 22, 2020, the SAB increased the SFP grants to reflect a 2.08 percent increase during the period January 1, 2019 through December 31, 2019 using the RS Means Class B Construction Cost Index.

Total School Solutions

Total School Solutions
April 1, 2020

EXECUTIVE SUMMARY

The Washington Unified School District (District) is justified to collect the legal maximum fee of \$4.08 per square foot of residential development as authorized by Government Code Section 65995 (Level 1 fees), as new construction and modernization eligibility create a school facility cost that exceeds \$4.08 per square foot. The District is also justified to collect the legal maximum fee of \$0.66 per square foot of development on all categories of commercial/industrial development (except rental self-storage), as those categories of development create school facility costs that exceed \$0.66 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. The District's new construction facility needs and modernization eligibility under the state School Facility Program will require the District to meet the match requirement, assuming that the state has available funds and approves the District's applications. The District does not have sufficient funds to meet the match requirement.
2. Each square foot of future residential development creates an estimated school facilities cost that exceeds \$4.08 per square foot. All categories of commercial/industrial development (except rental self-storage) create an estimated school facilities cost that exceeds \$0.66 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 \$4.08 per square foot, fee revenue will only partially offset school facility costs to provide adequate school facilities. If the District collects the current maximum fee on commercial/industrial development authorized by Government Code Section 65995 of \$0.66 per square foot, fee revenue will offset a small portion of the school facility cost attributable to commercial/industrial development (except rental self-storage). 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 generated by future residential and commercial/industrial development projects in the Washington Unified 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 to provide adequate school facilities for its students. Government Code Section 65995 authorizes school districts to collect fees on future development of no more than \$4.08 per square foot for residential construction and \$0.66 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.

B. Brief Description of the Washington Unified School District

Beginning in July of 2011, three previously independent districts unified and operated as one district, the new Washington Unified School District (WUSD). The unification included the American Union Elementary School District (AUESD), which is located approximately 10 miles south of downtown Fresno and encompasses 46 square miles of agricultural land and an average enrollment of 350 students in Grades K-8, the Washington Union High School District (WUHSD), which was founded in 1892 in Fresno County and encompasses roughly 90-square miles in the heart of the central San Joaquin Valley, and the West Fresno Elementary School District (WFESD), which is located in the south west region of Fresno County and consists of one K-5 school and one 6-8 school.

As a unified school district, WUSD served 2,630 students in 2019-20 in grades K-12 and operated the following schools:

<u>School</u>	<u>Grades</u>	<u>Enrollment</u>
American Union Elementary School	K-8	328
Easton Community Day School	9-12	7
Easton Continuation High School	9-12	12
Effective Learning Methodologies (ELM)	9-12	43
Washington High School	9-12	1,212
West Fresno Elementary School	K-5	680
West Fresno Middle School	6-8	348
Total		2,630

Not included in the above list is the W.E.B Dubois Public Charter School (K-12).

Prior to unification, Washington Union High School District (WUHSD) derived its student enrollment from six feeder elementary school districts. Two of these districts, mentioned above, are now unified with WUSD. The four remaining feeder school districts that have remained independent will continue to receive their share of the collected developer fees based on a split of 64/36 percent.

- West Park School District located at 2695 S. Valentine, Fresno, CA 93706
- Washington Colony Elementary School District located at 130 E. Lincoln Ave., Fresno, CA 93706
- Pacific Union Elementary School District located at 2065 E. Bowles Ave., Fresno, CA 93725, and
- Orange Center Elementary School District located at 3530 S. Cherry Ave., Fresno, CA 93706

I. DISTRICT FACILITY NEEDS

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

A. Student Capacity of District Facilities

The District’s student capacity is based on form SAB 50-02, Existing School Building Capacity, as certified by the Office of Public School Construction/State Allocation Board (OPSC/SAB). The original SAB 50-02 forms were submitted by Washington Union High School District, American Union Elementary School District and West Fresno School District to the OPSC/SAB prior to the unification. The certified student capacities create the “baseline” for determining future eligibility for funding under the state School Facility Program (SFP).

Developer fee justification studies, prepared by the three districts independently in 2006 and 2008, presented analysis and established the overall capacity of the three district school facilities at 2,449 students. State SFP New Construction projects approved and funded by the SAB added capacity for 67 K-6 students.

Grades	Capacity¹ (2006 & 2008)	Capacity² (2011 & 2014)	Current Capacity
K-6	775	67	673
7-8	540		540
9-12	1134		1134
Total	2,449	67	2,516

¹ Source: American Union School District, Level 1-Developer Fee Study, April 2008; West Fresno School District, Developer Fee Justification Study, August 2006; and Washington Union High School District, Developer Fee Justification Study, February 2008.

² Source: American Union School District, SFP New Construction Project, 67 K-6, 2011 and Washington Unified School District, SFP New Construction Project, 67 K-6, 2014.

B. Measure W

The District’s voters passed Measure W, a \$22 million Proposition 39 bond measure on November 6, 2012, with a 72.8% affirmative vote. Resolution 12-3 that called for the election stated that Measure W would “give the District the opportunity to receive up to \$5,000,000 in state matching funds for facilities projects.” Resolution 12-3 also included a lengthy list of projects to be funded, many of which provided no additional classroom space but would be used to modernize, upgrade, improve, repair, rehabilitate, renovate, reconstruct, retrofit, etc. existing facilities. A number of items on the list also identified the need for additional facilities, such as “provide facilities & equipment for career and technical education classes,” “reconstruct Alternative Education and Ag Farm instructional facilities,” “retrofit or rebuild older school buildings and athletic facilities that don’t meet earthquake

safety standard,” “renovate or replace outdated physical education facilities and equipment,” “reconstruct Varsity Football, Baseball, Softball, Soccer and related facilities into a sports complex and athletic facilities,” and “acquire/construct/repair instructional and athletic sites, facilities and equipment.”

After passage of Measure W, the District established a budget of \$31 million, to be funded with the \$22 million Measure W bonds and \$9 million in anticipated state funds. Measure W bonds for \$11,965,000 and \$10,035,000 were sold to fund the bond project list. The District received \$10,106,999 in state funds.

Measure W funds were mostly dedicated to resolving facilities issues with the existing school facilities, and there was no specific identification of the need to provide facilities for a growing student population or to meet the match requirements for future state new construction and modernization projects. There will, therefore, be the need for additional funding to meet future facilities needs.

C. District Facilities Needs

The District’s facilities need and associated costs consider four categories, as follows:

- New School Construction
- Modernization/Renovation
- Certificates of Participation

The need and estimated costs for each category are discussed below.

New School Construction

The District’s K-6 enrollment capacity was calculated to be 909 in the above section. The 2024-25 K-6 projection was 1,090, indicating the need for more classrooms. The number of K-6 students from residential development was estimated to be 54, and will be used to calculate the cost for new facilities attributable to residential development.

The state SFP New Construction grant amounts for grades K-6, 7-8, 9-12, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on January 22, 2020. This year’s grant amounts including grants for automatic fire detection/alarm and sprinkler systems are as follows:

New Construction Grants

Grades	Base Grant	Fire Detection/ Alarm	Sprinklers	Grant per Student
K-6	\$12,451	\$15	\$209	\$12,675
7-8	\$13,169	\$20	\$248	\$13,437
9-12	\$16,756	\$34	\$258	\$17,048
SDC-Non-Severe	\$23,399	\$44	\$442	\$23,885
SDC- Severe	\$34,987	\$62	\$659	\$35,708

From the above data, the cost to provide school facilities for 54 future K-6 students from projected residential housing developments based on the state SFP New Construction grants would be the following:

Grades	Future Unhoused Students	State Grant (50%)	District Match (50%)
K-6	54	\$725,598	\$725,598
Total	54	\$725,598	\$725,598

In addition to the above new construction cost, there would be costs for site development. These costs per student were calculated in Appendix D and are presented in the following table.

Grades	Future Unhoused Students	Site Development Costs/Student	Total Site Develop. Costs
K-6	54	\$ 8,097	\$437,238
Total	54		\$437,238

The state SFP New Construction program provides funding for the construction of new school facilities on a 50/50 basis. Therefore, to avail of these funds for the construction of school facilities for future unhoused students, the District will need local funds to match the state grant. There is no assurance that state funds will be available in the future, and the cost to finance 100 percent based on the state funding formula would be \$1,888,434. However, state funding is insufficient for the entire construction cost. In Appendix D, total construction costs were estimated and are presented in the following table.

Grades	Future Unhoused Students	Total Construct. Costs/Student	Total Construct. Costs
K-6	54	\$43,041	\$2,324,214
Total	54		\$2,324,214

The total cost of \$2,324,214 will be used to justify the levying of the legal maximum developer fee.

Modernization/Renovation

In Appendix A it was calculated that the District will need an estimated \$1,300,000 in the future to meet its 40 percent match requirement to obtain state funds for future modernization projects. If the District desires to proceed with the projects, it may be necessary to advance-fund the projects without state funds, which are not guaranteed to be received in the future.

Certificates of Participation (COPs)

The District has an outstanding COP with a June 30, 2019 balance of \$6,570,000, that is paid out of the General Fund, but could be paid with developer fees.

Construction Cost Summary

The total costs of the District's facilities need based on the state School Facility Program calculation of remaining eligibility are summarized as follows:

Construction Cost Summary (Five years)	Cost
New School Construction (100 Percent)	\$2,324,214
Modernization/Renovation (District match)	1,300,000
Certificates of Participation	0
Total Cost	\$3,624,214

E. Fee per Square Foot

Based on an estimated 268,090 square feet of new construction over the next five years, the maximum fee that could be levied of \$4.08 would generate \$1,093,807 of developer fee revenue. Based on the above costs, the fee per square foot that could be levied would therefore greatly exceed the legal maximum of \$4.08/sf, and the maximum fee of \$4.08/sf is justified. Developer fees to be levied against future residential developments will help provide funds for school facilities needs as identified above.

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 \$4.08 per square foot for the current year. As demonstrated in the previous section, each square foot of future residential development will generate a school facility cost greatly in excess of \$4.08/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 Five Years

If the District were to collect the maximum allowable Level 1 fee (\$4.08) on 268,090 sf of new residential development, the District would collect approximately \$1,093,807 in residential developer fees over a five-year projection period.

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 \$1,093,807 over the next five years. 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 damaged or destroyed by fire, earthquake, landslide, mudslide, flood, tidal wave, or other unforeseen event that produces material damage or loss.

D. School Facility Costs

The total school facility cost for the District match for the approved remaining eligibility under the state School Facility Program was calculated in a previous section at \$3,624,214.

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

The total residential Level 1 fee revenue of \$1,093,807 would cover only 30 percent of the \$3,624,214 in total school facility costs.

F. Senior Citizen Restricted Housing

As required by law, a lower fee, currently the commercial/industrial maximum of \$0.66 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. As shown in Section I, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a fiscal impact on the District by generating a need for new school facilities.

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

As permitted by State law, the report uses results from a survey published by the San Diego Association of Governments (SanDAG) to establish the number of employees per square foot of new commercial/industrial development projects.

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: 1990 SanDAG Traffic Generators report.

B. Percentage of Employees Residing Within the District

It is estimated that approximately 25 percent of people working in the District also live in the District.

C. Number of Households per Employee

U.S. Census data indicates that there are approximately 1.28 workers per household. Likewise, this data indicates that there are 0.78 housing units for every one worker. The report, therefore, assumes that each new resident worker in the District will demand 0.78 housing units.

D. Number of Students per Dwelling Unit

This report assumes that 0.70 K-12 students will reside in each housing unit.

E. School Facility Cost per Student

It is estimated that the school facility cost per K-12 student is \$38,089 (Appendix D).

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	K-12 Students Per Dwelling Unit	Cost per K-12 Student	Cost per Square Foot
Banks	0.00283	0.25	0.78	0.70	\$38,089	\$14.71
Community Shopping Centers	0.00153	0.25	0.78	0.70	\$38,089	\$7.95
Neighborhood Shopping Centers	0.00271	0.25	0.78	0.70	\$38,089	\$14.09
Industrial Business Parks	0.00352	0.25	0.78	0.70	\$38,089	\$18.30
Industrial Parks	0.00135	0.25	0.78	0.70	\$38,089	\$7.02
Rental Self Storage	0.00006	0.25	0.78	0.70	\$38,089	\$0.31
Scientific Research & Development	0.00304	0.25	0.78	0.70	\$38,089	\$15.80
Lodging	0.00113	0.25	0.78	0.70	\$38,089	\$5.88
Standard Commercial Office	0.00480	0.25	0.78	0.70	\$38,089	\$24.95
Large High-Rise Com. Office	0.00432	0.25	0.78	0.70	\$38,089	\$22.46
Corporate Offices	0.00269	0.25	0.78	0.70	\$38,089	\$13.98
Medical Offices	0.00427	0.25	0.78	0.70	\$38,089	\$22.20

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 constructing new school facilities. In addition, the fee 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 to use for interim housing while permanent facilities are being constructed.

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 a previous section of this report, adequate school facilities do not exist for these students. Future residential 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 (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

The District does not have sufficient adequate facilities to house students generated by future development. Future residential and commercial/industrial development in the District will generate additional students and consequently, a need for additional school facilities. A relationship exists, therefore, between the District’s need to provide additional 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 \$4.08 per square foot. Level 1 fees of \$4.08 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 \$0.66 per square foot. Level 1 fees of \$0.66 on these types of development are, therefore, fully justified. The school facility cost attributable to rental self-storage units is \$0.31 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 may become approved for eligibility under the School Facility Program. The State match allowance of 50 percent for new construction and 40 percent for modernization, however, leaves a shortfall between State funding and the District's actual facility needs. Furthermore, the School Facility Program failed to pass a bond in March 2020. State funds for deferred maintenance may not 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 \$22 million Proposition 39 bond measure (Measure W) in November 2012, which was applied to specific District projects and part of the match requirement to obtain State funds. While providing significant funds for local needs, the bond does not meet all of the financial needs to provide adequate school facilities.

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 occasionally 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 land owners if fewer than 12) in an election.

6. Surplus Property

The District does not own any surplus property that could be used to finance additional school facilities.

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 \$4.08 per square foot of residential development. The report also recommends that the District levy the maximum fee as authorized by law of \$0.66 per square foot, on all categories of commercial/industrial development except rental self-storage. Developer fees for this 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: STATE ALLOCATION BOARD ELIGIBILITY DETERMINATION

Under the State School Facility Program, Washington Unified and the three districts that existed prior to unification filed applications that were approved and funded as presented in the tables below. All of the financial data are from the OPSC/SAB website which maintains current project status for all school districts.

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.

State Funded Projects – American Union Elementary

State Program	SAB#	Enrollment	Date Funded	State Grant Amounts	District Match
Mod – American Union Elementary School	57/001	63 K-6, 23 7-8	2008	\$ 929,690	\$ 5,355
Total Grant Amount				\$ 929,690	\$ 5,355

Note: The SAB 50/001 and SAB 57-001 projects were funded on a Financial Hardship Request.

State Funded Projects – West Fresno Elementary

State Program	SAB#	Enrollment	Date Funded	State Grant Amounts	District Match
New – New Middle School	50/002	205 K-6	2000/04	\$ 384,847	\$164,077
New – West Fresno Middle	50/003	25 K-6	2005	\$ 275,936	\$181,926
New – West Fresno Middle	51/001		2005	\$1,036,268	\$ 0
Mod – West Fresno Elem.	57/001	525 K-6	2000	\$1,646,777	\$ 77,434
Mod. – West Fresno Middle	57/002	334 7-8	2000	\$1,014,241	\$ 67,237

Total Grant Amount	\$4,358,069	\$490,674
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Note: All projects were approved and funded on a Financial Hardship Request.

State Funded Projects – Washington Union High

State Program	SAB#	Enrollment	Date Funded	State Grant Amounts	District Match
New – Washington High	50/001	20 9-12	2005	\$161,560	\$161,560
Total Grant Amount				\$161,560	\$161,560

Note: The SAB 50/001 project for Washington High School was approved and funded on a 50/50 match basis.

State Funded Projects – Washington Unified

State Program	SAB#	Enrollment	Date Funded	State Grant Amounts	District Match
New – American Union ES	50/001	67 K-6	2014	\$2,415,809	\$ 48,199
Mod – Washington High	57/001	874 9-12	2008	\$5,906,065	\$3,937,377
Mod – Washington High	57/003	289 9-12	2018	\$1,785,125	\$1,190,083
Total Grant Amount				\$10,106,999	\$5,175,659

Note: The SAB 50/001 project for American Union Elementary School was approved and funded on a Financial Hardship Request. The two modernization projects for Washington High School were approved and funded on a 60/40 match basis.

The District currently has a modernization application on file for West Fresno Elementary School for an undetermined number of students. There is also modernization eligibility on file with OPSC for Easton Community Day School, Easton Continuation High School and Elm High School. It is also noted that prior projects that were approved and funded for modernization application become eligible again 25 years after the original funding. Because a number of projects were funded in 2000, they will again be eligible in 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 January 22, 2020. The grant amounts, including automatic fire detection/alarm systems, are:

Modernization Grants

Grades	Base Grant	Fire Detection/ Alarm	Grant per Student
K-6	\$4,747	\$154	\$4,901
7-8	\$5,014	\$154	\$5,168
9-12	\$6,565	\$154	\$6,719

SDC-Non-Severe	\$10,109	\$284	\$10,393
SDC- Severe	\$15,110	\$424	\$15,534

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

As documented above, the District currently has modernization eligibility under the State School Facility Program for a number of schools, and other schools will become eligible in five years. 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. Because the grant amounts are adjusted annually, the total state grant amount are estimated to be over \$2,000,000. For the purpose of this study, it is assumed that the District's 40% match requirement would be at least \$1,300,000. If the District qualifies for state funding on a Financial Hardship Request basis, SAB Regulation 1859.81(c) requires that a district levy the maximum legal developer fee to be eligible to receive state grant funds.

APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT

Five-year enrollment projections were prepared using historical cohort factors and the correlations between births in the County of Fresno with the kindergarten enrollments in the Washington Unified School District.

Historical CALPADS Enrollment and Cohort Growth

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-migration, out-migration, residential growth, transitional kindergarten (TK), changes in vacancy rates, movement of students to or from private/charter schools and county programs, etc.

The enrollment data by grade in the following table excluded W.E.B Dubois Public Charter (K-12). From the table below it can be seen that, after unification, the District experienced increases in kindergarten enrollment over prior year eighth grade. The TK program, which began in 2012-13 and was completely implemented beginning with 2015-16, had a significant impact on cohort trends. The cohort decline from K to grade 1 occurs because TK is a two-year program and TK1 does not move to grade 1. Because several elementary districts did not become a part of Washington Unified, there was significant cohort growth from grade 8 to grade 9 as their grade 8 students moved to grade 9.

Grades	2015-16	2016-17	2017-18	2018-19	2019-20	Average Cohort
K	159/	179/	176/	172/	182/	
1	147/-25	158/- 1	157/-22	152/-24	134/-38	-18
2	171/ 11	140/- 7	160/ 2	163/ 6	145/- 7	3
3	199/ 9	165/- 6	129/-11	164/ 4	156/- 7	- 1
4	149/-11	194/- 5	157/- 8	124/- 5	159/- 5	- 7
5	180/- 3	150/ 1	186/- 8	160/ 3	119/- 5	- 2
6	148/ 1	189/ 9	142/- 8	186/ 0	140/-20	0
7	160/-10	147/- 1	187/- 2	153/11	177/- 9	0
8	134/- 1	157/- 3	144/- 3	185/- 2	143/-10	- 2
Subtotal	1,447/-29	1,479/-13	1,438/-60	1,459/- 7	1,355/-101	-27
9	303/179	304/170	324/167	296/152	377/192	172
10	273/ 2	301/- 2	295/- 9	316/- 8	305/ 9	- 2
11	289/- 20	258/- 15	287/-14	290/- 5	316/ 0	-11
12	320/ 20	303/ 14	258/ 0	265/-22	279/-11	0
Subtotal	1,185/181	1,166/167	1,164/144	1,167/117	1,277/190	159
Total	2,632/152	2,645/154	2,602/ 84	2,626/110	2,632/89	
W.E.B.	413	353	373	352		

Source: California Longitudinal Pupil Achievement Data System (CALPADS), Department of Education. 2019-20 from District records.

Fresno County Births/WUSD Kindergarten Enrollment

Kindergarten projections in the Washington Unified School District are derived by correlating births in the County of Fresno to District kindergarten enrollments. The correlation between the births in the County of Fresno and kindergarten enrollment five years later is documented in the table below. Because of the percentage increase in 2019, it is projected that there will be slight increases in the percentages in the years ahead. It should be understood that kindergarten derived from births has been significantly impacted by the decline in the fertility rate from 2.21 in 2007 to 1.64 in 2018 and projected to continue to decline to 1.59 by 2025. A fertility rate of 2.1 is considered to be the population replacement rate.

Year	Fresno County Births/Fertility Rates	Year	District Kindergarten Enrollment	Percent
Historical ¹		Historical ²		
2007	17,287/2.21	2012		
2008	16,760/2.14	2013		
2009	16,273/2.02	2014		
2010	16,281/1.94	2015	159	0.977%
2011	16,157/1.90	2016	179	1.108%
2012	15,953/1.89	2017	176	1.103%
2013	15,735/1.84	2018	172	1.093%
2014	15,796/1.85	2019	182	1.152%
Historical ¹		Projected		
2015	15,363/1.80	2020	178	1.16%
2016	15,134/1.77	2021	177	1.17%
2017	14,546/1.70	2022	172	1.18%
2018	14,413/1.64	2023	172	1.19%
Projected ¹		Projected		
2019	14,891/1.65	2024	179	1.20%
2020	14,582/1.64	2025		
2021	14,558/1.63	2026		
2022	14,765/1.62	2027		
2023	14,835/1.61	2028		
2024	15,033/1.60	2029		
2025	14,976/1.59	2030		

¹ Source: California Department of Finance, Demographic Research Unit. 2020. Historical and Projected Fertility Rates and Births 1940-2040. Sacramento: California Department of Finance. January 2020.

² Source: California Longitudinal Pupil Achievement Data System (CALPADS), Department of Education.

**PROJECTED CALPADS ENROLLMENT
2020-21 thru 2024-25**

Enrollment projections for Washington Unified School district for 2020-21 through 2024-25 were derived from kindergarten enrollments projected with the use of correlations between County birth data and District kindergarten enrollments. The cohort growth factors which were established based on historical trends, as shown in the preceding “Historical CBEDS Enrollment and Cohort Movement” table, were distributed throughout the grades to derive the enrollment projections presented in the table below.

Grades	2020-21	2021-22	2022-23	2023-24	2024-25
TK/K	178	177	172	172	179
1	164	160	159	154	154
2	137	167	163	162	157
3	144	136	166	162	161
4	149	137	129	159	155
5	157	147	135	127	157
6	119	157	147	135	127
7	140	119	157	147	135
8	175	138	117	155	145
Subtotal	1,363	1,338	1,345	1,373	1,370
9	315	347	310	289	327
10	375	313	345	308	287
11	294	364	302	334	297
12	316	294	364	302	334
Subtotal	1,300	1,318	1,321	1,233	1,245
Total	2,663	2,656	2,666	2,606	2,615

Based on available data, the results of the analysis indicate that the District's projected enrollments in 2024-25 shows that there will be an increase in K-6 and decreases in grades 7-8 and 9-12 when compared to the 2019-20 enrollments. Overall, enrollment is projected to remain relatively level.

Grades	2019-20	2024-25	Change
K-6	1,035	1,090	55
7-8	320	280	-40
9-12	1,277	1,245	-32
Total	2,632	2,615	-17

While this trend is based on births/kindergarten correlation and cohort factors, it is cautioned that increased residential construction could cause an increase in enrollment, as discussed in the residential construction section.

APPENDIX C: RESIDENTIAL DEVELOPMENT

The official developer fee collection records of Washington Unified are presented in the following table for 2013-14 through 2018-19.

Capital Facilities Fund (Fund 25)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Beginning Balance	125,331	64,574	30,304	101,064	297,021	385,281
Revenues	42,355	63,843	168,025	281,580	189,622	81,397
Expenditures	103,112	98,113	80,371	85,623	101,362	93,038
<u>Interfund Transfers Out</u>		<u>(16,393)</u>				
Ending Balance	64,574	30,304	101,065	297,021	385,281	373,640

Washington Unified was formed by merging Washington Union High, American Union Elementary and West Fresno Elementary. Four elementary districts – West Park, Washington Colony, Pacific Union and Orange Center – remained as separate districts. Washington Unified adopted a Level 1 fee of \$3.36/sf that took effect in January 2015. The four independent elementary districts collect developer fees for the K-8 portion of the total fee based on a 64/36 percent split.

The estimated square feet of residential space subject to the fee for the four-year period 2015-16 through 2018-19 was calculated by dividing the fee revenues by \$3.36, as follows:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Average</u>
Revenues	\$168,025	\$281,580	\$189,622	\$ 81,397	\$180,156
Est. Sq. Ft.	50,007	83,804	56,435	24,225	53,618

While the calculation is not precise because some of the \$3.36 fee goes to the independent elementary districts, it is considered to be sufficiently accurate for the purpose of projecting future developer fees. The average 53,618 sq. ft. from new homes and 500+ sq. ft. additions to existing homes will therefore be used. Over the next five-year period, the estimated sq. ft. is 268,090. The estimated sq. ft. of a building permit is 2,000 sf. Over five years, approximately 134 new homes will be built. Assuming a K-12 yield rate of 0.70 (the state certified rate), approximately 94 K-12 students will be generated: 54 K-6 @ 0.4; 13 7-8 @ 0.1; 27 9-12 @ 0.2.

It is reasonable to assume that an annual construction amount of 53,618 sf/year will be maintained, resulting in a total annual fee of about \$218,761 based on \$4.08/sf. In January of every two years, the SAB will adjust the Level 1 fee based on inflation. Assuming no increase in the Level 1 fee in the future, the five-year total fee would be about \$1,093,807.

APPENDIX D: SITE ACQUISITION, DEVELOPMENT AND CONSTRUCTION

Site Acquisition Costs.

Site Purchase Costs. The cost of land can vary significantly from site to site within a school district based on land availability, land improvements, prior sales prices and zoning. Before a purchase can be finalized, appraisals must be made and the terms and conditions must be agreed upon. For example, Manteca Unified School District acquired a 16-acre parcel for its new Mossdale Elementary School and a 50-acre parcel for its new Lathrop High School, as follows:

School	Grades		Acreage	Total Cost	Cost Per Acre
Mossdale Elementary	K-5	525	16	\$4,141,752	\$258,860
	7-9	459			
Lathrop High	9-12	1,566	50	\$21,296,272	\$425,925

Data gathered from the neighboring Kings Canyon Unified School District, indicate that in their latest acquisition of land for an elementary school, a high school and other future facility uses, purchase prices ranged from \$95,000 to \$150,000 per acre. For the purposes of this study, a purchase price of \$125,000 per acre for the District is reasonable.

The total cost to purchase land for the construction of future schools in Washington Unified School District, based on state recommended acreages, is calculated as follows:

Site Purchase Costs

Grades	State Recommendation		Cost/Acre	Total Site Purchase Cost
	Enrollment	Acreage		
K-6	600	11.0	\$125,000	\$1,375,000
7-8	900	25.0	\$125,000	\$3,125,000
9-12	1,601-1,800	44.5	\$125,000	\$5,562,500

Site Support Costs. In addition to the cost of land, support costs associated with the acquisition of real property should be included. Actual land acquisition support costs can vary depending on several local factors at work. An analysis prepared by Bakersfield City School District on the various categories of services involved in the acquisition process, reveal the following:

Estimated Support Costs¹

Category	K-6	7-8	9-12
Appraisal Fees	\$15,000	\$15,000	\$15,000
Legal Fees	50,000	50,000	50,000
Escrow Fees	30,000	30,000	30,000
CEQA Documentation	7,500	25,000	50,000
Environmental Analysis (DTSC)	25,000	25,000	25,000
Topographic Survey	3,000	6,000	10,000
Traffic Study	6,000	6,000	6,000
Geo-Technical Hazards Report	3,000	6,000	10,000
Total	\$139,500	\$163,000	\$196,000

¹ Bakersfield City School District 2007-2014 Facilities Plan, June 14, 2006. Cost estimates based on 2006 dollars

The inflationary adjustment from 2007 to 2020 was 48.22 percent and was applied to the above totals as follows:

Category	K-6	7-8	9-12
Total Based on 2006 Dollars	\$139,500	\$163,000	\$196,000
Inflationary Adjustment	67,267	78,599	94,511
Adjusted Total	\$206,767	\$241,599	\$290,511

Actual land acquisition support costs can vary depending on local factors at work. For example, Manteca's land acquisition support costs for Mossdale Elementary School was reported as totaling \$250,760, while Lathrop High School had reported support costs of \$84,525. While a precise support cost cannot be calculated, the Bakersfield analysis is reasonable.

Site Development Costs

Site development costs cannot be precisely calculated because of many variables at work, such as whether off-site utilities and streets are available, site conditions (substrata rocks, clean-up requirements, etc.), site slope/cuts/fills, etc. However, reasonable estimates of site development costs per acre can be prepared from local experience and architect estimates.

Planning and construction costs for the two site acquisition examples presented above – Mossdale Elementary School and Lathrop High School – summarize local costs, as shown in the table. Based on the assumption that 25 percent of total planning and construction costs go to site development, and then the site development cost analysis presents the following conclusions:

Category	Mossdale Elementary School	Lathrop High School
Acreage	16.0	50.0
Student Capacity	K-5 = 525, 7-8 = 459	9-12 = 1,566
Site Development/Acre	\$366,625	\$293,970

By applying an inflation factor of approximately 40 percent, the adjusted site development costs are \$513,275 for K-8 and \$411,558 for 9-12.

Manteca Unified School District Planning and Construction

Category	Mossdale Elementary School	Lathrop High School
Architect/Engineering Fees	\$1,263,612	\$2,921,155
DSA/CDE Fees	113,375	333,334
Consultants	15,151	118,735
Subtotal Planning	\$1,392,138	\$3,373,224
Construction	\$21,894,668	\$54,741,454
Inspections	149,855	378,042
Tests	2,237	227,169
Labor Compliance	25,125	74,155
Subtotal Construction	\$22,071,885	\$55,420,820
Total Planning & Construction	\$23,464,023	\$58,794,044
Furniture & Equipment	400,474	853,236
Grand Total	\$23,864,497	\$59,647,280
Estimated Cost Split		
Site Development (25%)	\$5,866,006	\$14,698,514
Construction (75%)	16,598,017	44,095,544
Subtotal	\$22,464,023	\$58,794,058
Furniture & Equipment	400,474	853,236
Grand Total	\$22,864,497	\$59,647,294
Site Acreage	16.0	50.0
Site Development/Acre	\$366,625	\$293,970

To verify the reasonableness of the above data, architectural estimates prepared for the Bakersfield City School District were used for comparison purposes.

CONSTRUCTION COSTS¹

Site Development		
	K-6	7-8
Utility Services	\$100,000	\$100,000
Off-Site Development	100,000	175,000
Service Site Development	1,950,000	3,000,000
General Site Development	1,336,640	1,918,700
Fees/Reports/Testing & Inspection (25%)	386,895	539,745
Total Site Development	\$3,873,535	\$5,733,445
Inflationary Adjustment (48.22%) ²	\$5,741,354	\$8,498,112
Site Development/Acre ³	\$441,643	\$424,906

Building Construction		
	K-6	7-8
Building Construction (New)	\$10,766,400	\$15,354,000
Built-In Equipment & Technology	550,000	733,000
Contingency	735,152	1,055,285
Fees/Reports/Testing & Inspection (75%)	1,160,685	1,619,233
Total Building Construction	\$13,212,237	\$18,761,518
Inflationary Adjustment (48.22%) ²	\$19,583,177	\$25,613,225

Furniture and Equipment		
Movable Furniture & Equipment	\$500,000	\$500,000
Total Construction Cost	\$25,824,530	\$34,611,337

¹ Bakersfield City School District 2007-2014 Facilities Plan, June 14, 2006. Cost estimates based on 2006 data.

² Based on construction cost index for Class B construction for the period January 2007 through January 2020 totaling 48.22 percent

³ Based on Bakersfield planned acreages of 13.0 acres for K-6 and 20.0 acres for 7-8.

Based on site development costs estimated at 25 percent of total cost, the adjusted site development costs per acre would be \$441,643 for K-6 and \$424,906 for 7-8, thereby confirming the reasonableness of the data.

The following site development costs per acre and per student will be used:

<u>Grades</u>	<u>Costs/Acre</u>	<u>Costs/Student</u>
K-6	\$441,643	\$ 8,097
7-8	\$424,906	\$11,803
9-12	\$411,588	\$11,440

The following total construction costs per student will be used:

<u>Grades</u>	<u>Costs/Student</u>
K-6	\$43,041
7-8	\$38,457
9-12	\$38,089

**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.