Level I Developer Fee Study (Draft)

For

Pioneer Union Elementary
School District

March 30, 2020

Patsy Oxford, Superintendent/Principal

Board of Trustees
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EXECUTIVE SUMMARY

- Education Code Section 17620 authorizes school districts to levy a fee, charge, dedication or other form of requirement against any development project for the construction or modernization of school facilities provided the District can show justification for levying of fees.

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

- The Pioneer Union Elementary School District shares developer fees with the Oroville Union High School District. The Oroville Union High School District is responsible for collecting and distributing fees and shall retain three percent of the total fees collected for administrative costs. After the three percent reduction of $0.12 ($4.08 x .03) per square foot of residential construction and $0.02 ($0.66 x .03) per square foot of commercial/industrial construction, the Elementary School District collects 60 percent of the Level 1 fee and the High School District collects 40 percent of the Level 1 fee.

- The Pioneer Union Elementary School District is justified in collecting $2.38 (60 percent of $3.96) per square foot for residential construction and $0.38 (60 percent of $0.64) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category of construction should be collected at a rate of $0.10 per square foot.

- In general, it is fiscally more prudent to extend the useful life of an existing facility than to construct new facilities when possible. The cost to modernize facilities is approximately 41.1 percent of the cost to construct new facilities.

- The residential justification is based on the Pioneer Union Elementary School District’s projected modernization need of $537,360 for students generated from residential development over the next 20 years and the projected residential square footage of 77,520.
Based on the modernization need for students generated from projected residential development and the projected residential square footage, each square foot of residential construction will create a school facilities cost of $6,937,360/77,520.

- The commercial/industrial justification is based on the Pioneer Union Elementary School District's projected modernization need of $35,834 for students generated from commercial/industrial development over the next 20 years and the projected commercial/industrial square footage of 3,876.

- Based on the modernization need for students generated from commercial/industrial development and the projected commercial/industrial square footage, each square foot of commercial/industrial construction will create a school facilities cost of $8,247,358,454/3,876 with the exception of mini storage. The mini storage category of construction will create a school facilities cost of $0.10 per square foot.
SCHOOL DISTRICT BACKGROUND

The Pioneer Union Elementary School District serves approximately 70 students in transitional kindergarten through eighth grade at Berry Creek Elementary School. The District also operates a preschool, while Butte County Office of Education operates the after-school program for Berry Creek Elementary students. The majority of students identify as White (approximately 66%), followed by Hispanic or Latino (approximately 14%), then two or more races (approximately 14%), with a small portion of other ethnic groups. The majority of students (approximately 96%) meet the criteria for socioeconomically disadvantaged. The District is a feeder for the Oroville Union High School District. “The vision of Pioneer Union Elementary School District is to produce students who are motivated to be lifelong learners and capable of setting clear educational and personal goals. With the support of the community and parents, our students will graduate with the necessary academic and social skills to achieve these goals.”

Pioneer Union Elementary School District serves students in the rural portion of unincorporated Butte County, on the northeastern shore of Lake Oroville, located on the western slope of the Sierra Nevada Mountain Range in Northern California. The rural residential community of Berry Creek, where the District’s one school is located, is approximately 22 miles from the City of Oroville, along the Oroville-Quincy Highway. A large portion of the District’s boundary includes land that is part of the Plumas National Forest. A portion of the District’s boundary was impacted by wildfire, the Camp Fire, in 2018. The closest city is the City of Oroville, which is also the county seat for Butte County. According to the City’s General Plan, the primarily single-family residential community of Oroville has experienced steady population growth over the last 25 years, and anticipates the residential and commercial growth to continue for the next 25 years. As of 2007, the retail trade, manufacturing, healthcare, and social assistance economic sectors were the greatest sources of revenue in the City. These were also the sectors with the greatest number of jobs.
In January 1994, the State Allocation Board’s original inflation adjustment for square foot for commercial/industrial construction changed the fee to $1.00 per square foot for residential construction and $0.30 per square foot for commercial/industrial construction.

In January 1996, the State Allocation Board’s original inflation adjustment for square foot for commercial/industrial construction changed the fee to $1.10 per square foot for residential construction and $0.35 per square foot for commercial/industrial construction.

On November 1993 ballot, the authority to levy the additional $1.00 was rescinded by the failure of Proposition 170. Senate Bill 1287 allowed school districts to levy an additional $1.00 per square foot of residential construction. The school board, by the state’s inflation adjustment and any additional required by law, could adjust the fee.

The level of the fee that can be levied is adjusted every two years according to the

"For the construction or modernization of school facilities, the charge, dedication or other form of requirement against any development project which states in part ‘...the governing board of any school district is authorized to levy a

In September 1986, the Governor signed into law Assembly Bill 2296 (Chapter 1354/Statutes of 1992), effective January 1, 1993. Senate Bill 1287 (Chapter 1354/Statutes of 1992), effective January 1, 1993, for the construction of school facilities..."
In January 2000, the State Allocation Board’s biennial inflation adjustment changed the fee to $2.05 per square foot for residential construction and $0.33 per square foot for commercial/industrial construction.

In January 2002, the State Allocation Board’s biennial inflation adjustment changed the fee to $2.14 per square foot for residential construction and $0.36 per square foot for commercial/industrial construction.

In January 2004, the State Allocation Board’s biennial inflation adjustment changed the fee to $2.24 per square foot for residential construction and $0.41 per square foot for commercial/industrial construction.

In January 2006, the State Allocation Board’s biennial inflation adjustment changed the fee to $2.63 per square foot for residential construction and $0.42 per square foot for commercial/industrial construction.

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

In January 2010, the State Allocation Board’s biennial inflation adjustment maintained the fee at $2.97 per square foot for residential construction and $0.47 per square foot for commercial/industrial construction.

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

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

In February 2016, the State Allocation Board’s biennial inflation adjustment changed the fee to $3.48 per square foot for residential construction and $0.56 per square foot for commercial/industrial construction.
Pioneer Union Elementary School District and Industrial Growth and the need for the modernization of school facilities in the
This study will demonstrate the relationship between residential, commercial

Purpose of Study

and the reconstruction project in order to levy developer fees.

must establish a reasonable relationship between an increase in student facilities needs
population therapy centers an impact on the school district's facilities. School districts
demonstrate that reconstruction projects will benefit an increase in the student
School District (2013 WL 3942961) court case, school districts are now required to
In accordance with the recent decision in the Cressa Bella I, P. v. Pony Lumber

Relating between the levy of fees and the impact created by development.

Rees may be used only for specific purposes and there must be a reasonable
developmental Fees are different from taxes and do not require a vote of the electorate.
no High School facilities and be reasonably related to the needs of the community for elementary
In order to levy a Fee, a district must make a finding that the fee is to be paid towards

Board Meeting

The next adjustment to the fee will occur at the January 2022 State Allocation
square foot for commercial/industrial construction

changed the fee to $0.66 per square foot for residential construction and $0.66 per
In January 2020, the State Allocation Board, through its\n
In January 2018, the State Allocation Board's

SECTION I: DEVELOPER FEE JUSTIFICATION

Developer fee law requires that before fees can be levied a district must find that justification exists for the fee. Government Code Section 66001 (g) states that a fee shall not include the costs attributable to existing deficiencies in public facilities, but may include the costs attributable to the increased demand for public facilities reasonably related to the development project in order to refurbish existing facilities to maintain the existing level of service or achieve an adopted level of service that is consistent with a general plan. This section of the study will show that justification does exist for levying developer fees in the Pioneer Union Elementary School District.

Modernization and Reconstruction

Extending the useful life of a school is a cost effective and prudent way to house students generated from future development. The state of California recognizes the need to extend the life of existing schools and provides modernization funding through the State School Facility Program. For the purpose of this report, modernization and reconstruction are used interchangeably since many of the improvements are common to both programs, i.e. roofing, plumbing, heating, cooling, dry rot repair, infrastructure improvement, etc. Developer fees may not be used for regular maintenance, routine repair of school buildings and facilities or deferred maintenance. The authorization to justify modernization and modernization of school facilities and extend the useful life of existing schools is contained in Education Code Section 17620 and Government Code Section 66001 (g). School districts are permitted to modernize or replace existing or build new school facilities with developer fees as justified by this Study.

Modernization Need

As new students are generated by new development, the need to increase the useful life of school facilities will be necessary. In order to calculate the District’s estimated modernization need generated by students from new development, it is necessary to determine the following factors: the number of units included in proposed developments, the District student yield factor, and the per pupil cost to modernize facilities.
occupied by school-age children for another five years, ten or fifteen years at young
immediately occupied with families with school-age children, or they may not be
projects that will be complete. Additionally, the homes in these developments may be
thos over the coming years, and it is difficult to predict when construction on these
needs in the future. Residential developments will be built at different
consider the lifespan for each facility when planning and determining student
School facilities have a limited usable lifespan, and school districts must

Students from planned future developments from future developments may be used to modernize or construct facilities to house
that will generate students for the facilities in question. Developments including
and a 20 year projection has been included in the study when considering the homes
Therefore, the Districts' modernization needs are considered over a 20 year period.
then the instructional program to students at existing levels of service. A
 profoundly impact a school's ability to safely remain in service and to continue
teachers, staff, and other occupants. Abundant infrastructure and building problems can
buildings may need to be closed entirely for the health and safety of students,
buildings 20 years after their initial modernization. In some cases, these older
of service as previously existed. The same would be true for modernization of
20 years before modernization is needed in order to maintain the same level
Since the 20 year period is generally presumed that school facilities have a useful life
the 20 year period. It is therefore generally presumed that school facilities have a useful life
on the so-called ‘life cycle’ of a building. This means that facilities age over this period. Each facility
The School Facility Program allows districts to apply for modernization

A total of 60 units were included to calculate the Level 1 Fee
Residential units may be constructed within District boundaries in the next 20 years. 
three residential units per year. Based on this average, an estimated 60 (3 x 20)
previous years. Based on developer fee records, fees were paid on the average of
the District's boundary is likely to continue at approximately the same rate as the
Potential Development

Pioneer Union Elementary School District-Developer Fee Study (Draft) / Mar. 2020
people who move in begin starting to have families. Thus, the District must be prepared to house students from new developments for the next several decades.

The School Facility Program establishes that buildings older than twenty-five (and portables older twenty years) are eligible for modernization funds. The School Facility Program thus recognizes that school buildings require modernization after the initial twenty to twenty-five years of life for those buildings and that facilities which are older than twenty to twenty-five years old are no longer able to provide the existing level of service to students. In some cases, these older buildings may need to be closed entirely for the health and safety of students, teachers, staff and other occupants. Aging infrastructure and building problems can profoundly impact a school’s ability to safely remain in service and to continue delivering the instructional program to students at existing levels of service.

The District’s current total student capacity will diminish over time if the District does not modernize its facilities. Without modernization of aging buildings, some facilities will become unavailable for the reasons described above, which will decrease the District’s total student capacity. New development in the District necessitates that modernization occur in order to continue having available school housing from newly generated students. As part of these modernization efforts, the District plans to modernize existing schools and to replace some of its existing schools with new buildings on the same site as the existing schools become old, inadequate, and pose health and safety challenges.

Student Yield

To identify the number of students anticipated to be generated by new residential development, a student yield factor of .5 has been utilized for the Pioneer Union Elementary School District. The yield factor is based on State wide student yield averages calculated by the Office of Public School Construction.

Construction Cost

The construction cost per K-8 pupil is $43,581 (Appendix A). Table 1 shows the weighted average to construct facilities per K-8 pupil.
The calculation is included in Table 2. The District’s estimated modernization need generated by students from new residential development is $537,360. The per pupil cost to modernize facilities per K-8 pupil is $43,381 and is outlined in Table 1 and is included in Appendix A.

The construction cost per K-8 pupil is $43,381 and is included in Appendix B. The amounts are included in Appendix B.


<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Construction Costs</th>
<th>Weighted Average ($43,383 x 2) + ($43,926 x 7)</th>
<th>9-8</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-6</td>
<td>Construction Costs</td>
<td>$43,926</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$43,383</td>
<td>$43,381</td>
</tr>
</tbody>
</table>

Table 1:

20 Year Modernization Need

Pupil cost is $21,791.2 (\$43,381 x 4.11).

The cost to modernize facilities is $43,381 per K-8 pupil. The District’s estimated modernization need generated by students from new residential development is $537,360.

The per pupil cost to modernize facilities per K-8 pupil is $43,381 and is included in Table 1.

The construction cost per K-8 pupil is $43,381 and is included in Appendix B. The amounts are included in Appendix B.

The amount of the cost to construct a facility is the estimated cost to modernize facilities is $41.1 percent of the new construction grant amount. In addition, the per pupil cost to construct new facilities and $12,451 per facility for improvements which are required provides a minimum of three percent for ADAP/PLS improvements which are required per pupil per K-6 pupil to construct new facilities. The per pupil cost to construct new facilities is the per pupil cost to construct a facility for example, the State provides $12,451 per K-6 pupil to construct new facilities. Including 3% for Americans with Disabilities and Print, the per pupil cost to construct new facilities is based on the comparison of the per pupil cost to construct new facilities per pupil.
Table 2:  
20 Year Modernization Need

<table>
<thead>
<tr>
<th>Proposed Development</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Yield</td>
<td>( \times 0.5 )</td>
</tr>
<tr>
<td>Students Generated</td>
<td>30</td>
</tr>
<tr>
<td>Per Pupil Modernization Cost</td>
<td>$17,912</td>
</tr>
<tr>
<td>Students Generated</td>
<td>( \times 30 )</td>
</tr>
<tr>
<td>Modernization Need</td>
<td>$537,360</td>
</tr>
</tbody>
</table>


Residential Development and Fee Projections

To show a reasonable relationship exists between the construction of new housing units and the need for modernized school facilities, it will be shown that residential construction will create a school facility cost impact on the Pioneer Union Elementary School District by students generated from new development.

Based on information provided by the Butte County Planning Department, an estimated 60 single family residential units may be constructed within District boundaries in the next 20 years. Based on developer fee records, single-family units average an estimated 1,292 square feet. Approximately 60 housing units totaling 77,520 square feet (1,292 \( \times 60 \)) may be constructed in the District over the next 20 years. The amount of residential fees to be collected can be estimated based on the housing unit projections.

Based on the District’s modernization need of $537,360 generated by students from residential construction and the total projected residential square footage of 77,520, residential construction will create a facilities cost of $6.93 per square foot. The calculation is included in Table 3. However, the statutory Level I fee for residential construction is $4.08 per square foot and the District has a fee sharing arrangement with
Table 4 indicates the number of employees generated for every 1,000 square feet of commercial and industrial development. The number of district-generated development factors have been adjusted for every 10 square feet of floor area for several development categories. These generation factors are shown in Table 4.

In order to levy developer fees on commercial and industrial development, a developer fee schedule must determine the impact of the increased number of employees and 귀하. The proposed development fee schedule from commercial and industrial development must be acceptable to the school district.

### Commercial/Industrial Development and Fee Projections

<table>
<thead>
<tr>
<th>FACILITIES COST</th>
<th>TOTAL SQUARE FOOTAGE</th>
<th>MODERNIZATION NEED</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.93</td>
<td>77,720</td>
<td>$537,360</td>
</tr>
</tbody>
</table>

Table 3: Facilities Cost per SF from Proposed Residential Construction

Footnotes (All figures in dollars)

Elementary School District is entitled to collect $2.38 (60 percent of $3.96) per square foot for residential fee. After the three percent reduction, the Pioneer Union School Board collects 60 percent of the fee. The elementary school district retains three percent for administrative fees, while the elementary school district collects 40 percent of the fee and the high school district collects 40 percent of the fee.
households is calculated by adjusting the number of employees for the percentage of employees that live in the district and are heads of households.

<table>
<thead>
<tr>
<th>Type of Development</th>
<th>Employees Per 1,000 Sq. Ft.*</th>
<th>District Households Per Employee**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Offices</td>
<td>4.27</td>
<td>.2</td>
</tr>
<tr>
<td>Corporate Offices</td>
<td>2.68</td>
<td>.2</td>
</tr>
<tr>
<td>Commercial Offices</td>
<td>4.78</td>
<td>.2</td>
</tr>
<tr>
<td>Lodging</td>
<td>1.55</td>
<td>.3</td>
</tr>
<tr>
<td>Scientific R&amp;D</td>
<td>3.04</td>
<td>.2</td>
</tr>
<tr>
<td>Industrial Parks</td>
<td>1.68</td>
<td>.2</td>
</tr>
<tr>
<td>Industrial/Business Parks</td>
<td>2.21</td>
<td>.2</td>
</tr>
<tr>
<td>Neighborhood Shopping Centers</td>
<td>3.62</td>
<td>.3</td>
</tr>
<tr>
<td>Community Shopping Centers</td>
<td>1.09</td>
<td>.3</td>
</tr>
<tr>
<td>Banks</td>
<td>2.82</td>
<td>.3</td>
</tr>
<tr>
<td>Agriculture</td>
<td>.31</td>
<td>.51</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>2.55</td>
<td>.27</td>
</tr>
</tbody>
</table>

* Source: San Diego Association of Governments.
** Source: Jack Schreder and Associates.

Based on data available for the purpose of determining the impact of mini-storage construction on the Pioneer Union Elementary School District, it has been determined that mini storage construction has significantly less impact than other commercial/industrial construction. Mini storage construction generates .06 employees per 1,000 square feet of school construction. This information was provided by the San Diego Association of Governments, Traffic Generators, January 1990, and is cited for use in Education Code Section 17621(e)(1)(B).

The generation of .06 employees per 1,000 square feet and the utilization of the student generation rate per household, yields an impact of $0.10 per square foot of mini-storage construction. It is recommended that the Pioneer Union Elementary School District levy a fee for mini-storage not to exceed $0.10 per square foot. Appendix C includes the mini storage calculation.
The addition of three new households created by commercial and industrial development will impact Pioneer Union Elementary School District with an estimated

\[
\text{Number of Households} = 3 = \frac{3.876}{1,000} \times 2.55 = \frac{7}{10} \times 2.55
\]

<table>
<thead>
<tr>
<th>Per 1,000 SF</th>
<th>New Households</th>
<th>New Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial/Industrial Development</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Projected Employees/District Households

Table 6:

Households over the next 20 years. Table 6 illustrates this calculation.

According to the average employee generation factors in Table 4, commercial and industrial development will yield ten new employees and three new district.

<table>
<thead>
<tr>
<th>Projected Commercial/Industrial SF</th>
<th>Residential SF</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.876 SF</td>
<td>77'520 SF</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Table 5:

Historical data shows that commercial/industrial square footage represents

two (3 x .5) additional students. Based on the per pupil K-8 modernization cost of $17,912, the estimated cost to house two students generated from commercial/industrial construction is $35,824 ($17,912 x 2).

Based on the District’s modernization need of $35,824, generated by students from commercial/industrial construction and the total projected square footage of 3,876, commercial/industrial construction will create a facilities cost of $9.24 per square foot with the exception of mini storage. However, the statutory Level I fee for commercial/industrial construction is $0.66 per square foot and the District has a fee sharing arrangement with the High School District. The High School District collects 40 percent of the fee and retains three percent for administrative fees, while the Elementary School District collects 60 percent of the fee. Therefore, after the three percent reduction, the Pioneer Union Elementary School District is justified to collect $0.38 (60 percent of $0.64) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category should be collected at a rate of $0.10 per square foot. Appendix C includes the mini storage calculation.

<table>
<thead>
<tr>
<th>Modernization Need</th>
<th>Total Square Footage</th>
<th>Level I Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>$35,824</td>
<td>/3,876</td>
<td>= $9.24</td>
</tr>
</tbody>
</table>


Summary

Based on the District’s modernization need of $537,360 generated by students from residential construction and the total projected residential square footage of 77,520, residential construction will create a facilities cost of $6.93 per square foot. However, the statutory Level I fee for residential construction is $4.08 per square foot and the District has a fee sharing arrangement with the High School District. The High School District collects 40 percent of the fee and retains three percent for administrative fees, while the Elementary School District collects 60 percent of the fee. After the three
Section 66016 requires districts adopting or increasing any fee to first hold a public hearing. The fees collected are to be used by the school district for the construction of commercial and industrial construction. The level I fee that can be levied is adjusted every two years, according to the inflation rate as listed by the state-wide index for Class D construction set by the State Allocation Board. In January of 2022, the State Allocation Board changed the level to $0.38 per square foot of commercial and industrial construction and $0.66 per square foot of residential construction.

Initially, the allowable developer fee was limited by Government Code Section 65995 to 10% of the square footage of covered or enclosed space for residential development. Appendix C includes the mini storage calculation.

Appendix C includes the mini storage calculation. The mini storage category should be collected at a rate of $0.10 per square foot. Appendix C also includes the mini storage calculation.

Section II: BACKGROUND OF DEVELOPER FEE LEGISLATION

$2.38 (60 percent of $3.96) per square foot for residential construction.
hearing as part of a regularly scheduled meeting and publish notice of this meeting twice, with the first notice published at least ten days prior to the meeting.

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

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

1. The fee, charge, dedication, or other form of requirement is applied to the initial location, installation, or occupancy of the manufactured home or mobile home within the school district.

2. The manufactured home or mobile home is to be located, installed, or occupied on a space or site on which no other manufactured home or mobile home was previously located, installed, or occupied.

3. The manufactured home or mobile home is to be located, installed, or occupied on a space in a mobile home park, on which the construction of the pad or foundation system commenced after September 1, 1986.

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

1. The amount of the fees bears a reasonable relationship and is limited to the needs for school facilities created by the greenhouse or other space covered or enclosed for agricultural purposes.
the certificate of occupancy.

4. Institution studies

3. Allows the fees to be used to pay for the cost of performing developer fee

2. Prohibits the use of developer fee revenue for routine maintenance and

1. Exempts residential remodels of less than 500 square feet from fees.

181 provisions include the following:

October 2, 1989, was enacted to clarify several areas of developer fee law. Assembly Bill 181 (Chapter 1109/Stats of 1989) which became effective

needs and financing raised by the fee must be quantified

can find the new construction and modernization. Finally, a relationship between

the sources of revenue need to be established to determine if the district

for new school construction and modernization must be determined along with the

growth and the ability of the local school district to accommodate that growth. The need

In order to levy developer fees, a study is required to assess the impact of new

cost of construction.

employees, if any, the size and specific use of the structures, as well as the

the relationship between the proposed increases in the number of

In determining the amount of the fees, the school district shall consider

school facilities necessitated by the structures as to which the fees are

2. The amount of the fee does not exceed the estimated reasonable cost of
5. Clarifies that the establishment or increase of fees is not subject to the California Environmental Quality Act.

6. Clarifies that the impact of commercial and industrial development may be analyzed by categories of development as well as an individual project-by-project basis. An appeal process for individual projects would be required if analysis was done by categories.

7. Changes the frequency of the annual inflation adjustment on the Level I fee to every two years.

8. Exempts from fees - development used exclusively for religious purposes, private schools, and government-owned development.

9. Expands the definition of senior housing, which is limited to the commercial/industrial fee and requires the conversion from senior housing to be approved by the city/county after notification of the school district.

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

SECTION III: REQUIREMENTS OF AB 1600

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

Section 66000 defines various terms used in AB 1600:

"Fee" is defined as monetary exaction (except a tax or a special assessment) which is charged by a local agency to the applicant in connection with the approval of a development project for the purpose of defraying all or a portion of the costs of public facilities related to the development project.
Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. Under this process, fees were subject to the mandatory findings and potential refund process. 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section as amended, relating to unexpended fee revenue, two specific findings must be made as a part of the public information required to be formulated and made available to the public. These findings are:

1. Identification of all sources and amounts of funding anticipated to provide adequate revenue to complete any incomplete improvements identified pursuant to the requirements of Section 66001 (a)(2).

2. A designation of the approximate date upon which the anticipated funding will be received by the school district to complete the identified but as yet, incomplete improvements.

If the two findings are not made, a school district must refund the developer fee revenue on account in the manner provided in Section 66001 (e).

Section 66001 (e) provides that the local agency shall refund to the current record owners of the development project or projects on a prorated basis the unexpended or uncommitted portion of the fees and any accrued interest for which the local agency is unable to make the findings required by Section 66001 (d) that it still needs the fees.

Section 66002 provides that any local agency which levies a development fee subject to Section 66001 may adopt a capital improvement plan which shall be updated annually and which shall indicate the approximate location, size, time of availability and estimates of cost for all facilities or improvements to be financed by the fees.

Assembly Bill 1600 and the Justification for Levying Developer Fees

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

1. A cost nexus must be established. A cost nexus means that the amount of the fee cannot exceed the cost of providing adequate school facilities for students generated by development. Essentially, it prohibits a school district from charging a fee greater than their cost to construct or modernize facilities for use by students generated by development.
The Mello-Roos Community Facilities Act of 1982 allows school districts to
have the construction of school facilities.

The Mello-Roos Community Facilities Act

Local Sources
	enable a higher fee to be calculated.
certain requirements outlined in the law, as well as conduct a needs assessment to
desire to collect more than the statutory fee (level 2 or level 3), but district must meet
district may levy the current
required from districts will be a 50/50 match for construction projects and 60/40
required under a "grant" program once a school district establishes eligibility. Funding
August 1998. The new program, entitled the School Facility Program, provides
Senate Bill 90 returned the State School Building Lease-Purchase Program in
State School Facility Program

State Sources

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

SECTION IV: REVENUE SOURCES FOR FUNDING FACILITIES

Facilities that a need to modernize existing facilities.
facilities. A burden nexus must be established.

2. A benefit nexus must be established. A burden nexus is established if the

3. A burden nexus must be established. A benefit nexus is established if the

Projects by the generation of students, creates a need for additional

Fee is used to construct or modernize school facilities benefitting students

Fee is generated from development projects.
1. The voter approved tax levy requires a two-thirds vote by the voters of the proposed Mello-Roos district.

2. If a Mello-Roos district is established in an area in which fewer than twelve registered voters reside, the property owners may elect to establish a Mello-Roos district.

**General Obligation Bonds**

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

The District does not have bond funds available for facility needs.

**Developer Fees**

The District's developer fees are dedicated to the current needs related directly to modernization and replacement of school facilities.

**School District General Funds**

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

**Expenditure of Lottery Funds**

Government Code Section 8880.5 states: "It is the intent of this chapter that all funds allocated from the California State Lottery Education Fund shall be used exclusively for the education of pupils and students and no funds shall be spent for
Establishment of a Burden Nexus

Projects upon which the fee is imposed, therefore, a burden nexus is established. A project resulting in the need for replacement and/or modernization facilities will directly benefit those students from the new development who will be attending district schools. Housing district students in replaced and/or modernized school facilities is expected to benefit the district. The burden nexus is established by new residential, commercial and industrial development.

Establishment of a Benefit Nexus

Establishing a cost nexus, the burden nexus is satisfied by the levy of developer fees, therefore, a burden nexus is established. The generation of new students by development will create a need for additional facilities. A project resulting in the need for replacement and/or modernization facilities will directly benefit those students from the new development. The burden nexus is established by new residential, commercial and industrial development.

Establishment of a Cost Nexus & Identify Purpose of the Fee

The cost nexus: In accordance with Government Code Section 66001, the district has established a cost nexus and identified the purpose of the fee, established a burden nexus, and a non-instructional purpose. Acquisition of real property, construction of facilities, building research, or any other
SECTION VI: FACILITY FUNDING ALTERNATIVES

The District does not currently have funds to provide for the shortfall in modernization costs. We suggest the District continue to explore all State modernization funding sources.

STATEMENT TO IDENTIFY PURPOSE OF FEE

It is a requirement of AB 1600 that the District identify the purpose of the fee. The purpose of fees being levied shall be used for the replacement and/or modernization of school facilities. The District will provide for the replacement and/or modernization of school facilities, in part, with developer fees.

ESTABLISHMENT OF A SPECIAL ACCOUNT

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

RECOMMENDATION

Based on the fee justification provided in this report, it is recommended that the Pioneer Union Elementary School District levy residential development fees and commercial/industrial fees up to the statutory fee for which justification has been determined.
W. Warren Thissell, Associate Planner, Butte County
Schenker, Jack and Associates, Original Research
Oxord, Paity, Superintendent/Pomnil Principal, Pioneer Union Elementary School District
Orovilie, General Plan 2030, City of Orovilie, PeaceWorks 2015
Office of Public School Construction Loan: Creating School Facilities Act, 1998
Local Control Accountability Plan, Pioneer Union Elementary School District 2019
Department of Housing and Community Development
Collard, Cary, Lead Housing Analyst for Southern California, California State
Cordwell, Nicole, Administrative Assistant, Pioneer Union Elementary School District
California Basic Educational Data System, California State Department of Education

SOURCES
APPENDIX A
CONSTRUCTION COSTS
### Middle School Facility Construction Costs - Permanent Construction

#### I. Allowable Building Area

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity/Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Student Capacity</td>
<td></td>
</tr>
<tr>
<td>Building Area</td>
<td>1000 students @ 85sf/student 85,000</td>
</tr>
<tr>
<td>Speech/Resource Specialist</td>
<td>1,360</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86,360</strong></td>
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</table>

#### II. Site Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost per Acre</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Price of Property (20 Acres)</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Appraisals</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Costs Incurred in Escrow</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Surveys</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Costs, Geo. and Soils Reports</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Acquisition of Site</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
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</tbody>
</table>

#### III. Plans

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architect's Fee for Plans</td>
<td>$3,633,252</td>
</tr>
<tr>
<td>OSA Plans Check Fee</td>
<td>$282,586</td>
</tr>
<tr>
<td>School Planning, Plans Check Fee</td>
<td>$8,993</td>
</tr>
<tr>
<td>Preliminary Tests</td>
<td>$9,991</td>
</tr>
<tr>
<td>Other Costs, Energy Cons. &amp; Advertising</td>
<td>$76,936</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,011,758</strong></td>
</tr>
</tbody>
</table>

#### IV. Construction Requirements

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Services</td>
<td>$739,991</td>
</tr>
<tr>
<td>Off-site Development</td>
<td>$832,810</td>
</tr>
<tr>
<td>Site Development, Service</td>
<td>$2,300,396</td>
</tr>
<tr>
<td>Site Development, General</td>
<td>$1,640,844</td>
</tr>
<tr>
<td>New Construction</td>
<td>$33,680,400</td>
</tr>
<tr>
<td>Unconventional Energy Source</td>
<td>$1,175,028</td>
</tr>
<tr>
<td><strong>Total Construction</strong></td>
<td><strong>$40,369,469</strong></td>
</tr>
<tr>
<td><strong>Total Items II, III and IV</strong></td>
<td><strong>$44,381,227</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>$4,438,123</td>
</tr>
<tr>
<td>Construction Tests</td>
<td>$302,771</td>
</tr>
<tr>
<td>Inspection</td>
<td>$403,695</td>
</tr>
</tbody>
</table>

**TOTAL ESTIMATED PROJECT COSTS** $49,525,816  
**ESTIMATED COST PER STUDENT** $49,526

*Source: California Department of Education, Jack Schreder & Associates.*
APPENDIX B

PER PUPIL GRANT AMOUNTS
**ATTACHMENT B**

**ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS**

State Allocation Board Meeting, January 22, 2020

**Grant Amount Adjustments**

<table>
<thead>
<tr>
<th>New Construction</th>
<th>SFP Regulation Section</th>
<th>Adjusted Grant Per Pupil Effective 1-1-19</th>
<th>Adjusted Grant Per Pupil Effective 1-1-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>1859.71</td>
<td>$12,197</td>
<td>$12,451</td>
</tr>
<tr>
<td>Middle</td>
<td>1859.71</td>
<td>$12,901</td>
<td>$13,169</td>
</tr>
<tr>
<td>High</td>
<td>1859.71</td>
<td>$16,415</td>
<td>$16,756</td>
</tr>
<tr>
<td>Special Day Class – Severe</td>
<td>1859.71.1</td>
<td>$34,274</td>
<td>$34,987</td>
</tr>
<tr>
<td>Special Day Class – Non-Severe</td>
<td>1859.71.1</td>
<td>$22,922</td>
<td>$23,399</td>
</tr>
<tr>
<td>Automatic Fire Detection/Alarm System – Elementary</td>
<td>1859.71.2</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>Automatic Fire Detection/Alarm System – Middle</td>
<td>1859.71.2</td>
<td>$20</td>
<td>$20</td>
</tr>
<tr>
<td>Automatic Fire Detection/Alarm System – High</td>
<td>1859.71.2</td>
<td>$33</td>
<td>$34</td>
</tr>
<tr>
<td>Automatic Fire Detection/Alarm System – Special Day Class – Severe</td>
<td>1859.71.2</td>
<td>$61</td>
<td>$62</td>
</tr>
<tr>
<td>Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe</td>
<td>1859.71.2</td>
<td>$43</td>
<td>$44</td>
</tr>
<tr>
<td>Automatic Sprinkler System – Elementary</td>
<td>1859.71.2</td>
<td>$205</td>
<td>$209</td>
</tr>
<tr>
<td>Automatic Sprinkler System – Middle</td>
<td>1859.71.2</td>
<td>$243</td>
<td>$248</td>
</tr>
<tr>
<td>Automatic Sprinkler System – High</td>
<td>1859.71.2</td>
<td>$253</td>
<td>$258</td>
</tr>
<tr>
<td>Automatic Sprinkler System – Special Day Class – Severe</td>
<td>1859.71.2</td>
<td>$646</td>
<td>$659</td>
</tr>
<tr>
<td>Automatic Sprinkler System – Special Day Class – Non-Severe</td>
<td>1859.71.2</td>
<td>$433</td>
<td>$442</td>
</tr>
</tbody>
</table>
| Grant Amount | Adjusted Grant | SF/P | Section | Effective 1-1-19

| Special Day School - Severe | $344,773 | 1359.78.3 | State Special Class - Non-Severe |
| Special Day School - Special | $14,372 | 1859.78.6 | State Special Class - Special |
| Special Day School - Middle | $66,965 | 1859.78.6 | State Special Class - Middle |
| Special Day School - Elementary | $6,965 | 1859.78.6 | State Special Class - Elementary |

| Special Day School - Non-Severe | $20,565 | 1859.78.6 | Automatic Fire Detection/Alarm |
| Special Day School - Special | $66,965 | 1859.78.6 | Automatic Fire Detection/Alarm |
| Special Day School - Middle | $66,965 | 1859.78.6 | Automatic Fire Detection/Alarm |
| Special Day School - Elementary | $6,965 | 1859.78.6 | Automatic Fire Detection/Alarm |

| System - Severe | $2284 | 1859.78.4 | State Special Class - Severe |
| System - Special | $151 | 1859.78.4 | State Special Class - Special |
| System - Middle | $151 | 1859.78.4 | State Special Class - Middle |
| System - Elementary | $151 | 1859.78.4 | State Special Class - Elementary |

<table>
<thead>
<tr>
<th>Effective 1-1-19</th>
<th>Per Pupil</th>
<th>Section</th>
<th>Adjusted Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>$344,773</td>
<td>1359.78.3</td>
<td>State Special Class - Non-Severe</td>
<td></td>
</tr>
<tr>
<td>$14,372</td>
<td>1859.78.6</td>
<td>State Special Class - Special</td>
<td></td>
</tr>
<tr>
<td>$66,965</td>
<td>1859.78.6</td>
<td>State Special Class - Middle</td>
<td></td>
</tr>
<tr>
<td>$6,965</td>
<td>1859.78.6</td>
<td>State Special Class - Elementary</td>
<td></td>
</tr>
<tr>
<td>$20,565</td>
<td>1859.78.6</td>
<td>Automatic Fire Detection/Alarm</td>
<td></td>
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<tr>
<td>$66,965</td>
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<td>$66,965</td>
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<tr>
<td>$6,965</td>
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<td></td>
</tr>
<tr>
<td>$2284</td>
<td>1859.78.4</td>
<td>State Special Class - Severe</td>
<td></td>
</tr>
<tr>
<td>$151</td>
<td>1859.78.4</td>
<td>State Special Class - Special</td>
<td></td>
</tr>
<tr>
<td>$151</td>
<td>1859.78.4</td>
<td>State Special Class - Middle</td>
<td></td>
</tr>
<tr>
<td>$151</td>
<td>1859.78.4</td>
<td>State Special Class - Elementary</td>
<td></td>
</tr>
</tbody>
</table>

Grant Amount Adjustments

State Allocation Board Meeting, January 22, 2020

ANNUAL ADJUSTMENT TO SCHOOL FACULTY PROGRAM GRANTS

ATTACHMENT B
<table>
<thead>
<tr>
<th>Commercial/Industrial Calculation (min storage)</th>
<th>EMP/1000 SQ.FT</th>
<th>EMP</th>
<th>HH/SF</th>
<th>EXIST H</th>
<th>ADJ %</th>
<th>HH/EMP</th>
<th>DIST HH/EMP</th>
<th>% EMP IN ADJUSTED</th>
<th>COST PER STUDENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pioneer Union Elementary School District</td>
<td>0.06</td>
<td>0.2</td>
<td>0.000012</td>
<td>0.4</td>
<td>0.0000048</td>
<td>0.08</td>
<td>$43.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STUDENT YIELD</td>
<td>MINI-STORAGE</td>
<td>K-8</td>
<td>MINI-STORAGE</td>
<td>STUDENTS PER SQUARE FOOT</td>
<td>(YIELD FACTORS X ADJ HH/SF IN COLUMN F)</td>
<td>K-8</td>
<td>MINI-STORAGE</td>
<td>STUDENTS/SQ.FT X STUDENT COST/SQ. FOOT IN EACH CATEGORY</td>
<td>K-8</td>
</tr>
</tbody>
</table>