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2018 DEVELOPER FEE JUSTIFICATION STUDY SAN LEANDRO UNIFIED SCHOOL DISTRICT

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Executive Summary

This Developer Fee Justification Study demonstrates that the San Leandro Unified School District requires the full statutory impact fee to accommodate growth from development activity.

A fee of \$3.36 per square foot for residential construction and a fee of \$0.51 per square foot for commercial/industrial construction is currently assessed on applicable permits pulled in the District. The new fee amounts are **\$3.79** per square foot for residential construction and **\$0.61*** per square foot for commercial/industrial construction. This proposed increase represents \$0.43 per square foot and \$0.10 per square foot for residential and commercial/industrial construction, respectively.

The following table shows the impacts of the new fee amounts:

Table 1
SAN LEANDRO UNIFIED
Developer Fee Collection Rates

Totals	<u>Previous</u>	<u>New</u>	<u>Change</u>
Residential	\$3.36	\$3.79	\$0.43
Commercial/Ind.	\$0.51	\$0.61	\$0.10

*except for Rental Self-Storage facilities in which a fee of \$0.20 per square foot is justified.

Background

Education Code Section 17620 allows school districts to assess fees on new residential and commercial construction within their respective boundaries. These fees can be collected without special city or county approval, to fund the construction of new school facilities necessitated by the impact of residential and commercial development activity. In addition, these fees can also be used to fund the reconstruction of school facilities to accommodate students generated from new development projects. Fees are collected immediately prior to the time of the issuance of a building permit by the City or the County.

As enrollment increases, additional school facilities will be needed to house the growth in the student population. Because of the high cost associated with constructing school facilities and the District's limited budget, outside funding sources are required for future school construction. State and local funding sources for the construction and/or reconstruction of school facilities are limited.

The authority cited in Education Code Section 17620 states in part "... the governing board of any school district is authorized to levy a fee, charge, dedication or other form of requirement against any development project for the construction or reconstruction of school facilities." The legislation originally established the maximum fee rates at \$1.50 per square foot for residential construction and \$0.25 per square foot for commercial/industrial construction. Government Code Section 65995 provides for an inflationary increase in the fees every two years based on the changes in the Class B construction index. As a result of these adjustments, the fees authorized by Education Code 17620 are currently **\$3.79** per square foot of residential construction and **\$0.61** per square foot of commercial or industrial construction.

Purpose and Intent

Prior to levying developer fees, a district must demonstrate and document that a reasonable relationship exists between the need for new or reconstructed school facilities and residential, commercial and industrial development. The justification for levying fees is required to address three basic links between the need for facilities and new development. These links or nexus are:

Burden Nexus: A district must identify the number of students anticipated to be generated by residential, commercial and industrial development. In addition, a district shall identify the school facility and cost impact of these students.

Cost Nexus: A district must demonstrate that the fees to be collected from residential, commercial and industrial development will not exceed the cost of providing school facilities for the students to be generated from the development.

Benefit Nexus: A district must show that the construction or reconstruction of school facilities to be funded by the collection of developer fees will benefit the students generated by residential, commercial and industrial development.

The purpose of this report is to document if a reasonable relationship exists between residential, commercial and industrial development and the need for new and/or modernized facilities in the San Leandro Unified School District.

Following in this Study will be figures indicating the current enrollment and the projected development occurring within the attendance boundaries of the San Leandro Unified School District. The projected enrollment will then be loaded into existing facilities to the extent of available space. Thereafter, the needed facilities will be determined and an estimated cost will be assigned. The cost of the facilities will then be compared to the area of residential, commercial and industrial development to determine the amount of developer fees justified.

Enrollment Projections

In 2017/2018 the District's total enrollment (CBEDS) was 8,888 students. The enrollment by grade level is shown here in Table 2.

Table 2

**SAN LEANDRO UNIFIED
CURRENT ENROLLMENT**

Grade	2017/2018
TK/K	772
1	625
2	667
3	610
4	646
5	690
6	693
<hr/>	
TK-6 Total	4,703
7	663
8	696
<hr/>	
7-8 Total	1,359
9	651
10	683
11	711
12	781
<hr/>	
9-12 Total	2,826
<hr/> <hr/>	
TK-12 Total	8,888

This data will be the basis for the enrollment projections which will be presented later after a review of the development projections and the student generation factors.

Student Generation Factor

In determining the impact of new development, the District is required to show how many students will be generated from the new developments. In order to ensure that new development is paying only for the impact of those students that are being generated by new homes and businesses, the student generation factor is applied to the number of new housing units to determine development-related impacts.

The student generation factor identifies the number of students per housing unit and provides a link between residential construction projects and projections of enrollment. The State-wide factor used by the Office of Public School Construction is 0.7 for grades TK-12. For the purposes of this Study we will use the local factors to determine the students generated from new housing developments. This was done by comparing the number of housing units in the School District to the number of students in the School District as of the 2010 Census. Table 3 shows the student generation factors for the various grade groupings.

Table 3

**SAN LEANDRO UNIFIED
STUDENT GENERATION FACTORS**

<u>Grades</u>	<u>Students per Household</u>
TK-6	0.1893
7-8	0.0551
9-12	0.1177
Total	0.3622

When using the Census data to determine the average district student yield rate, it is not possible to determine which students were living in multi-family units versus single-family units. Therefore, only the total average yield rate is shown. The Census data does indicate that **57%** of the total housing units within the district boundaries are single family units. It is reasonable to assume that the construction of new housing units would be similar to the current housing stock, which was confirmed by the various planning departments within the school district boundaries, and therefore the overall student generation rate will be used to determine student yields from the projected developments.

New Residential Development Projections

The San Leandro Unified School District has experienced an average new residential construction rate of approximately 100 units per year over the past two years. This was determined by reviewing the residential permits pulled and school development impact fees paid to the District. After contacting the City of San Leandro planning department within the school district boundaries, it was verified that using the same average residential construction rate over the past four years for the next five years is a reasonable assumption. Projecting the average rate forward, we would expect that 500 units of residential housing will be built within the District boundaries over the next five years.

To determine the impact of residential development, an enrollment projection is prepared. Applying the student generation factor of 0.3622 to the projected 500 units of residential housing, we expect that 182 students will be generated from the new residential construction over the next five years. This includes 95 elementary school students, 28 middle school students and 59 high school students.

The District is allowed to use this development-based enrollment projection for the purposes of this Study. This is utilized as the cost basis for development impact throughout this Study, unless otherwise noted.

Table 4

**SAN LEANDRO UNIFIED
 FIVE YEAR ENROLLMENT PROJECTIONS**

<u>Grades</u>	<u>Current Enrollment</u>	<u>Development Projection</u>	<u>Projected Enrollment</u>
TK to 6	4,703	95	4,798
7 to 8	1,359	28	1,387
9 to 12	2,826	59	2,885
Totals	8,888	182	9,070

Existing Facility Capacity

To determine the need for additional school facilities, the capacity of the existing facilities must be identified and compared to current and anticipated enrollments. The District's existing building capacity will be calculated using the State classroom loading standards shown in Table 6. The following types of "support-spaces" necessary for the conduct of the District's comprehensive educational program, are not included as "teaching stations," commonly known as "classrooms" to the public:

Table 5

List of Core and Support Facilities

Library	Resource Specialist
Multipurpose Room	Gymnasium
Office Area	Lunch Room
Staff Workroom	P.E. Facilities

Because the District requires these types of support facilities as part of its existing facility and curriculum standards at its schools, new development's impact must not materially or adversely affect the continuance of these standards. Therefore, new development cannot require that the District house students in these integral support spaces.

Classroom Loading Standards

The following maximum classroom loading factors are used to determine teaching-station "capacity," in accordance with the State legislation and the State School Building Program. These capacity calculations are also used in preparing and filing the baseline school capacity statement with the Office of Public School Construction.

Table 6

State Classroom Loading Standards

TK/Kindergarten	25 Students/Classroom
1 st -3 rd Grades	25 Students/Classroom
4 th -6 th Grades	25 Students/Classroom
7 th -8 th Grades	27 Students/Classroom
9 th -12 th Grades	27 Students/Classroom
Non-Severe Special Ed	13 Students/Classroom

Existing Facility Capacity

The State determines the baseline capacity by either loading all permanent teaching stations, plus a maximum number of portables, equal to 25% of the number of permanent classrooms or by loading all permanent classrooms and only portables that are owned or have been leased for over 5 years. As allowed by law and required by the State, facility capacities are calculated by identifying the number of teaching stations at each campus. All qualified teaching stations were included in the calculation of the capacities at the time the initial inventory was calculated. To account for activity and changes since the baseline was established in 1998/99, the student grants (which represent the seats added either by new schools or additions to existing schools) for new construction projects funded by OPSC have been added. Using these guidelines, the District's current State calculated capacity is shown in Table 7.

Table 7

**SAN LEANDRO UNIFIED
 Summary of Existing Facility Capacity**

<u>School Facility</u>	<u>Permanent Classrooms</u>	<u>Portable Classrooms</u>	<u>Chargeable Portables</u>	<u>Total Chargeable Classrooms</u>	<u>State Loading Factor</u>	<u>State Funded Projects</u>	<u>Total State Capacity</u>
Grades TK-6	120	67	44	164	25	1,339	5,439
Grades 7-8	69	2	1	70	27	0	1,890
Grades 9-12	53	25	17	70	27	828	2,718
Special Ed	12	3	2	14	13	8	190
Totals	254	97	64	318		2,175	10,237

OPSC Funded Projects

<u>Name</u>	<u>Project #</u>	<u>TK-6 Grants</u>	<u>7-8 Grants</u>	<u>9-12 Grants</u>	<u>Special Ed</u>	<u>CR</u>
San Leandro High	1	0	0	700	8	25
John Muir	2	300	0	0	0	8
Bancroft Junior High	3	205	0	0	0	8
Jefferson Elementary	4	200	0	0	0	8
San Leandro High	5	0	0	128	0	8
San Leandro High	6	405	0	0	0	15
San Leandro High	7	229	0	0	0	3
Totals		1,339	0	828	8	75

This table shows a basic summary of the form and procedures used by OPSC (Office of Public School Construction) to determine the capacity of a school district. There was a total of 254 permanent classrooms in the District when the baseline was established. In addition, there were 97 portable classrooms. However, OPSC regulations state that if the number of

portables exceeds 25% of the permanent classrooms, then the maximum number of portables to be counted in the baseline capacity is 25% of the permanent classrooms. Therefore, the chart shows the chargeable portables as 64 which is 25% of the permanent classroom count. This results in a total classroom count of 318 and is referred to as the chargeable classrooms since it accounts for the fact that some of the portable were not included in the total. This is done to account for the fact that portables are typically considered to be temporary, especially when the total number exceeds 25% of the permanent classrooms.

To determine the total capacity based on State standards, the capacity of the chargeable classrooms are multiplied by the State loading standards and then the capacity of the projects completed since 1998/99 (when the baseline was established) are added based on the State funded new construction projects. As Table 7 shows, the total State capacity of the District facilities is 10,237 students.

Unhoused Students by State Housing Standards

This next table compares the capacity with the space needed to determine if there is available space for new students from the projected developments. The space needed was determined by reviewing the historic enrollments over the past four years along with the projected enrollment in five years to determine the maximum seats needed to house the students within the existing homes. The seats needed were determined individually for each grade grouping. The projected enrollment in this analysis did not include the impact of any new housing units.

Table 8

**SAN LEANDRO UNIFIED
 Summary of Available District Capacity**

<u>School Facility</u>	<u>State Capacity</u>	<u>Space Needed</u>	<u>Available Capacity</u>
Grades TK-6	5,439	5,077	362
Grades 7-8	1,890	1,359	531
Grades 9-12	2,718	3,074	(356)
Special Ed	190	0	190
Totals	10,237	9,510	727

Since the enrollment space needed exceeds the District capacity at grade levels 9-12, there is no excess capacity available to house students at grade levels 9-12 from new development.

Calculation of Development's Fiscal Impact on Schools

This section of the Study will demonstrate that a reasonable relationship exists between residential, commercial/industrial development and the need for additional school facilities in the San Leandro Unified School District. To the extent this relationship exists, the District is justified in levying developer fees as authorized by Education Code Section 17620.

School Facility Construction Costs

For the purposes of estimating the cost of building schools, we have used the State School Building Program funding allowances. These amounts are shown in Table 9. In addition to the basic construction costs, there are site acquisition costs of \$1,000,000 per acre and service site, utilities, off-site and general site development costs which are also shown in Table 9.

Table 9

NEW CONSTRUCTION COSTS

<u>Grade</u>	<u>Base Grant</u>	<u>Fire Alarms</u>	<u>Fire Sprinklers</u>	Per Student
				<u>Total</u>
TK-6	\$23,134	\$28	\$388	\$23,550
7-8	\$24,468	\$38	\$460	\$24,966
9-12	\$31,134	\$62	\$480	\$31,676

<u>Grade</u>	<u>Site Acreage Needs</u>		<u>Projected Unhoused Students</u>	<u>Equivalent Sites Needed</u>	<u>Site Acres Needed</u>
	<u>Typical Acres</u>	<u>Average Students</u>			
TK-6	10	600	0	0.00	0.00
7-8	20	800	0	0.00	0.00
9-12	40	1,500	59	0.04	1.57
TOTAL				1.57	

General Site Development Allowance

<u>Grade</u>	<u>Acres</u>	<u>Allowance/Acre</u>		<u>% Allowance</u>	<u>Added Cost</u>	<u>Total Cost</u>
		<u>Acres</u>	<u>Base Cost</u>			
TK-6	0.00	\$37,654	\$0	6%	\$0	\$0
7-8	0.00	\$37,654	\$0	6%	\$0	\$0
9-12	1.57	\$37,654	\$59,117	3.75%	\$70,083	\$129,200
Totals	1.57					\$129,200

Site Acquisition & Development Summary

<u>Grade</u>	<u>Acres</u>		<u>Total Land Cost</u>	<u>Site Development Cost/Acre</u>	<u>Site Dev. Cost</u>	<u>General Site Development</u>	<u>Total Site Development</u>
	<u>To Be Bought</u>	<u>Land Cost/Acre</u>					
TK-6	0.00	\$1,000,000	\$0	\$248,896	\$0	\$0	\$0
7-8	0.00	\$1,000,000	\$0	\$234,162	\$0	\$0	\$0
9-12	1.57	\$1,000,000	\$1,570,000	\$273,060	\$428,704	\$129,200	\$557,904
Totals	1.57		\$1,570,000		\$428,704	\$129,200	\$557,904

Note: The grant amounts used are twice those shown in the appendix to represent the full cost of the facility needs and not just the standard State funding share of 50%.

Impact of New Residential Development

This next table compares the development-related enrollment to the available district capacity for each grade level and then multiplies the unhoused students by the new school construction costs to determine the total school facility costs related to the impact of new residential housing developments.

In addition, the State provides that new construction projects can include the costs for site acquisition and development, including appraisals, surveys and title reports. The District needs to acquire 1.57 acres to meet the needs of the students projected from the new developments. Therefore, the costs for site acquisition and development of the land have been included in the total impacts due to new development.

Finally, the modernization needs are included for the students not housed in new facilities but who would be housed in existing facilities that are eligible for and need to be modernized to provide adequate housing and to maintain the existing level of service for the students generated by development.

Table 10

**SAN LEANDRO UNIFIED
 Summary of Residential Impact**

<u>School Facility</u>	<u>Development Projection</u>	<u>Available Space</u>	<u>Net Unhoused</u>	<u>Construction Cost Per Student</u>	<u>Total Facility Costs</u>
Elementary	95	362	0	\$23,550	\$0
Middle	28	531	0	\$24,966	\$0
High & Cont.	59	0	59	\$31,676	\$1,868,884
Site Purchase: 1.57 acres					\$1,570,000
Site Development:					\$557,904
			New Construction Needs:		\$3,996,788
			Average cost per student:		\$67,742

The total need for school facilities based solely on the impact of the 500 new housing units projected over the next five years totals \$3,996,788. To determine the impact per square foot of residential development, this amount is divided by the total square feet of the

projected developments. As calculated from the historic Developer Fee Permits, the average size home built has averaged 1,302 square feet. The total area for 500 new homes would therefore be 651,000 square feet. The total residential fee needed to be able to collect \$3,996,768 would be **\$6.14** per square foot.

Impact of Other Residential Development

In addition to new residential development projects that typically include new single family homes and new multi-family units, the District can also be impacted by additional types of new development projects. These include but are not limited to redevelopment projects, additions to existing housing units, and replacement of existing housing units with new housing units.

These development projects are still residential projects and therefore it is reasonable to assume they would have the same monetary impacts per square foot as the new residential development projects. However, the net impact is reduced due to the fact that there was a previous residential building in its place. Therefore, the development impact fees should only be charged for other residential developments if the new building(s) exceed the square footage area of the previous building(s). If the new building is larger than the existing building, then it is reasonable to assume that additional students could be generated by the project. The project would only pay for the development impact fees for the net increase in assessable space generated by the development project. Education Code 17620(a) allows for an exemption from development impact fees for any additions to existing residential structures that are 500 square feet or less.

Impact of Commercial/Industrial Development

There is a correlation between the growth of commercial/industrial firms/facilities within a community and the generation of school students within most business service areas. Fees for commercial/industrial can only be imposed if the residential fees will not fully mitigate the cost of providing school facilities to students from new development.

The approach utilized in this section is to apply statutory standards, U.S. Census employment statistics, and local statistics to determine the impact of future commercial/industrial development projects on the District. Many of the factors used in this analysis were taken from the U.S. Census, which remains the most complete and authoritative source of information on the community in addition to the "1990 SanDAG Traffic Generators Report".

Employees per Square Foot of Commercial Development

Results from a survey published by the San Diego Association of Governments “1990 San DAG Traffic Generators” are used to establish numbers of employees per square foot of building area to be anticipated in new commercial or industrial development projects. The average number of workers per 1,000 square feet of area ranges from 0.06 for Rental Self-Storage to 4.79 for Standard Commercial Offices. The generation factors from that report are shown in the following table.

Table 11

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	15541	0.00006
Scientific Research & Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	209	0.00479
Large High Rise Commercial Office	232	0.00431
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report

Students per Employee

The number of students per employee is determined by using the 2008-2012 American Community Survey 5-Year Estimates for the District. There were 31,511 employees and 24,360 homes in the District. This represents a ratio of 1.2936 employees per home.

There were 8,822 school age children attending the District in 2010. This is a ratio of 0.28 students per employee. This ratio, however, must be reduced by including only the percentage of employees that worked in their community of residence (20.6%), because only those employees living in the District will impact the District’s school facilities with their children. The actual ratio of students per employee in the District is 0.0557.

School Facilities Cost per Student

State costs for housing commercially generated students are the same as those used for residential construction. The cost factors used to assess the impact from commercial development projects are contained in Table 10.

Residential Offset

When additional employees are generated in the District as a result of new commercial/industrial development, fees will also be charged on the residential units necessary to provide housing for the employees living in the District. To prevent a commercial or industrial development from paying for the portion of the impact that will be covered by the residential fee, this amount has been calculated and deducted from each category. The residential offset amount is calculated by multiplying the following factors together and dividing by 1,000 (to convert from cost per 1,000 square feet to cost per square foot).

- Employees per 1,000 square feet (varies from a low of 0.06 for rental Self-Storage to a high of 4.79 for office building).
- Percentage of employees that worked in their community of residence (20.6 percent).
- Housing units per employee (0.7731). This was derived from the 2008-2012 ACS 5 Year Estimates data for the District, which indicates there were 24,360 housing units and 31,511 employees.
- Percentage of employees that will occupy new housing units (75 percent).
- Average square feet per dwelling unit (1,302).
- Residential fee charged by the District (\$3.79 per square foot).
- Average cost per student was determined in Table 10.

The following table shows the calculation of the school facility costs generated by a square foot of new commercial/industrial development for each category of development.

Table 12

SAN LEANDRO UNIFIED							
Summary of Commercial and Industrial Uses							
<u>Type</u>	<u>Employees per 1,000 Sq. Ft.</u>	<u>Students per Employee</u>	<u>Students per 1,000 Sq. Ft.</u>	<u>Average Cost per Student</u>	<u>Cost per Sq. Ft.</u>	<u>Residential offset per Sq. Ft.</u>	<u>Net Cost per Sq. Ft.</u>
Banks	2.83	0.0577	0.163	\$67,742	\$11.06	\$1.67	\$9.39
Community Shopping Centers	1.53	0.0577	0.088	\$67,742	\$5.98	\$0.90	\$5.08
Neighborhood Shopping Centers	2.71	0.0577	0.156	\$67,742	\$10.59	\$1.60	\$8.99
Industrial Business Parks	3.52	0.0577	0.203	\$67,742	\$13.75	\$2.07	\$11.68
Industrial Parks	1.35	0.0577	0.078	\$67,742	\$5.27	\$0.80	\$4.48
Rental Self Storage	0.06	0.0577	0.003	\$67,742	\$0.23	\$0.04	\$0.20
Scientific Research & Development	3.04	0.0577	0.175	\$67,742	\$11.88	\$1.79	\$10.09
Lodging	1.13	0.0577	0.065	\$67,742	\$4.41	\$0.67	\$3.75
Standard Commercial Office	4.79	0.0577	0.276	\$67,742	\$18.71	\$2.82	\$15.89
Large High Rise Commercial Office	4.31	0.0577	0.249	\$67,742	\$16.84	\$2.54	\$14.30
Corporate Offices	2.69	0.0577	0.155	\$67,742	\$10.51	\$1.59	\$8.92
Medical Offices	4.27	0.0577	0.246	\$67,742	\$16.68	\$2.52	\$14.17

*Based on 1990 SanDAG Traffic Generator Report

Net Cost per Square Foot

Since the State Maximum Fee is now \$0.61 for commercial/industrial construction, the District is justified in collecting the maximum fee for all categories with the exception of Rental Self-Storage. The District can only justify collection of \$0.20 per square foot of Rental Self-Storage construction.

Verifying the Sufficiency of the Development Impact

Education Code Section 17620 requires districts to find that fee revenues will not exceed the cost of providing school facilities to the students generated by the development paying the fees. This section shows that the fee revenues do not exceed the impact of the new development.

The total need for school facilities resulting from development totals \$3,996,788. The amount the District would collect over the five year period at the maximum rate of \$3.79 for residential and \$0.61 for commercial/industrial development would be as follows:

$\$3.79 \times 500 \text{ homes} \times 1,302 \text{ sq ft per home} = \$2,467,290$ for Residential

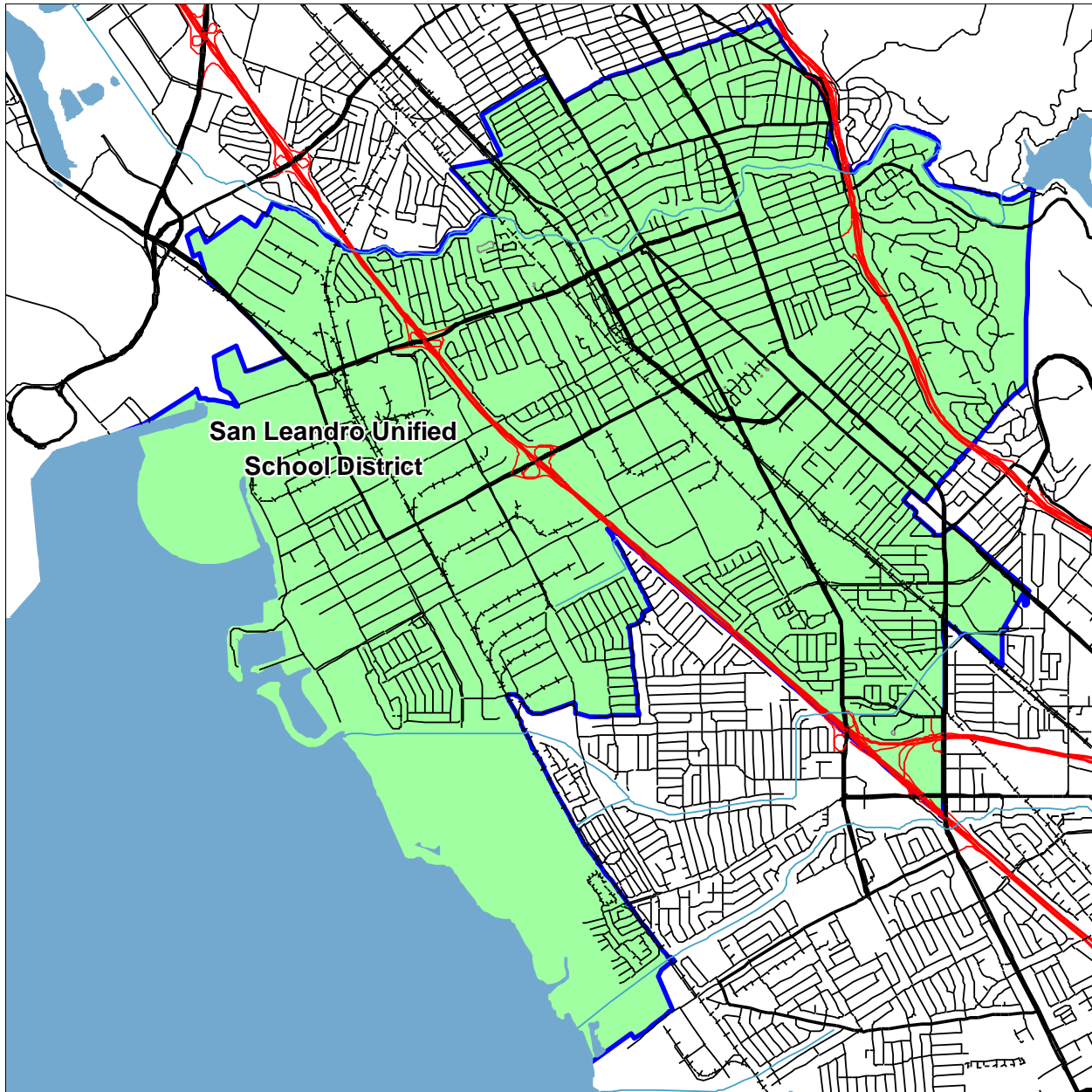
$\$0.61 \times 13,440 \text{ sq ft per year} \times 5 \text{ years} = \$40,992$ for Commercial/Industrial

Total projected 5 year income: \$2,508,282

The estimated income is less than the projected facility needs due to the impact of new development projects.

District Map

The following map shows the extent of the areas for which development fees are applicable to the San Leandro Unified School District.



Conclusion

Based on the data contained in this Study, it is found that a reasonable relationship exists between residential, commercial/industrial development and the need for additional school facilities in the San Leandro Unified School District. The following three nexus tests required to show justification for levying fees have been met:

Burden Nexus: New residential development will generate an average of 0.3622 TK-12 grade students per unit. Because the District does not have adequate facilities for all the students generated by new developments, the District will need to build additional facilities and/or modernize/reconstruct the existing facilities in order to maintain existing level of services in which the new students will be housed.

Cost Nexus: The cost to provide new and reconstructed facilities is an average of \$6.14 per square foot of residential development. Each square foot of residential development will generate \$3.79 in developer fees resulting in a shortfall of \$2.35 per square foot.

Benefit Nexus: The developer fees to be collected by the San Leandro Unified School District will be used for the provision of additional and reconstructed or modernized school facilities. This will benefit the students to be generated by new development by providing them with adequate educational facilities.

The District's planned use of the fees received from development impacts will include the following types of projects each of which will benefit students from new developments.

- 1) **New Schools:** When there is enough development activity occurring in a single area, the District will build a new school to house the students from new developments.
- 2) **Additions to Existing Schools:** When infill development occurs, the District will accommodate students at existing schools by building needed classrooms and/or support facilities such as cafeterias, restrooms, gyms and libraries as needed to increase the school capacity. Schools may also need upgrades of the technology and telecommunication systems to be able to increase their capacity.

- 3) Portable Replacement Projects: Some of the District's capacity is in temporary portables and therefore may not be included in the State's capacity calculations. These portables can be replaced with new permanent or modular classrooms to provide adequate space for students from new developments. These projects result in an increase to the facility capacity according to State standards. In addition, old portables that have reached the end of their life expectancy, will need to be replaced to maintain the existing level of service. These types of projects are considered modernization projects in the State Building Program. If development impacts did not exist, the old portables could be removed.

- 4) Modernization/Upgrade Projects: In many cases, students from new developments are not located in areas where new schools are planned to be built. The District plans to modernize or upgrade older schools to be equivalent to new schools so students will be housed in equitable facilities to those students housed in new schools. These projects may include updates to the building structures to meet current building standards, along with upgrades to the current fire and safety standards and any access compliance standards.

The reasonable relationship identified by these findings provides the required justification for the San Leandro Unified School District to levy the maximum fees of **\$3.79** per square foot for residential construction and **\$0.61** per square foot for commercial/industrial construction, except for Rental Self-Storage facilities in which a fee of **\$0.20** per square foot is justified as authorized by Education Code Section 17620.

Appendices

2018 Developer Fee Justification Study

San Leandro Unified School District