

APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE(S)

ABC 211 (6/99)

TO: Department of Alcoholic Beverage Control
1900 CHURN CREEK RD
STE 215
REDDING, CA 96002
(530) 224-4830

File Number: **589199**
Receipt Number: **2470955**
Geographical Code: **1800**
Copies Mailed Date: **December 5, 2017**
Issued Date:

DISTRICT SERVING LOCATION: **REDDING**

First Owner: **TUREN, RAMESH**
Name of Business: **JANESVILLE PAYLESS**
Location of Business: **463-770 MAIN ST**
JANESVILLE, CA 96114

County: **LASSEN**Is Premise inside city limits? **No**Census Tract **0405.00**

Mailing Address:
(If different from
premises address)

Type of license(s): **21**Transferor's license/name: **477302 / GONDAL, RAVI**Dropping Partner: Yes ☐ No ☒

License Type	Transaction Type	Fee Type	Master	Dup	Date	Fee
21 - Off-Sale General	ANNUAL FEE	NA	Y	0	12/05/17	\$646.00
21 - Off-Sale General	PERSON-TO-PERSON TRANSFER	NA	Y	0	12/05/17	\$1,250.00
NA	FEDERAL FINGERPRINTS	NA	N	1	12/05/17	\$24.00
NA	ISSUE TEMPORARY PERMIT	NA	N	1	12/05/17	\$100.00
NA	STATE FINGERPRINTS	NA	N	1	12/05/17	\$39.00
Total						\$2,059.00

Have you ever been convicted of a felony? **No**

Have you ever violated any provisions of the Alcoholic Beverage Control Act, or regulations of the
Department pertaining to the Act? **No**

Explain any "Yes" answer to the above questions on an attachment which shall be deemed part of this application.

Applicant agrees (a) that any manager employed in an on-sale licensed premises will have all the qualifications of a licensee, and (b) that he will not violate or cause or permit to be violated any of the provisions of the Alcoholic Beverage Control Act.

STATE OF CALIFORNIA County of LASSEN

Date: December 5, 2017

Under penalty of perjury, each person whose signature appears below, certifies and says: (1) He is an applicant, or one of the applicants, or an executive officer of the applicant corporation, named in the foregoing application, duly authorized to make this application on its behalf; (2) that he has read the foregoing and knows the contents thereof and that each of the above statements therein made are true; (3) that no person other than the applicant or applicants has any direct or indirect interest in the applicant or applicant's business to be conducted under the license(s) for which this application is made; (4) that the transfer application or proposed transfer is not made to satisfy the payment of a loan or to fulfill an agreement entered into more than ninety (90) days preceding the day on which the transfer application is filed with the Department or to gain or establish a preference to or for any creditor or transferor or to defraud or injure any creditor of transferor; (5) that the transfer application may be withdrawn by either the applicant or the licensee with no resulting liability to the Department.

Effective July 1, 2012, Revenue and Taxation Code Section 7057, authorizes the State Board of Equalization and the Franchise Tax Board to share taxpayer information with Department of Alcoholic Beverage Control. The Department may suspend, revoke, and refuse to issue a license if the licensee's name appears in the 500 largest tax delinquencies list. (Business and Professions Code Section 494.5.)

Applicant Name(s)

Applicant Signature(s)

TUREN, RAMESH



APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE(S)

ABC 211 (6/99)

TO: Department of Alcoholic Beverage Control
1900 CHURN CREEK RD
STE 215
REDDING, CA 96002
(530) 224-4830

File Number: **592650**
Receipt Number: **2491539**
Geographical Code: **1800**
Copies Mailed Date: **April 4, 2018**
Issued Date:

DISTRICT SERVING LOCATION: **REDDING**

First Owner: **TOMS SIERRA COMPANY INC**
Name of Business: **SIERRA ENERGY**

Location of Business: **301 THIRD ST**
WESTWOOD, CA 96137

County: **LASSEN**Is Premise inside city limits? **No** Census Tract **0402.00**

Mailing Address: **1020 WINDING CREEK RD**
(If different from **STE 100**
premises address) **ROSEVILLE, CA 95678-7016**

Type of license(s): **21**

Transferor's license/name: **453496 / MICHAEL WAYNE ARNOLD** Dropping Partner: Yes ☐ No ☒
AND KATHERINE DIANE ARNOLD RE

License Type	Transaction Type	Fee Type	Master	Dup	Date	Fee
21 - Off-Sale General	ANNUAL FEE	NA	Y	0	04/04/18	\$646.00
21 - Off-Sale General	PREMISE TO PREMISE TRANSFER	NA	Y	0	04/04/18	\$100.00
21 - Off-Sale General	PERSON-TO-PERSON TRANSFER	NA	Y	0	04/04/18	\$1,250.00
Total						\$1,996.00

Have you ever been convicted of a felony? **No**

Have you ever violated any provisions of the Alcoholic Beverage Control Act, or regulations of the
Department pertaining to the Act? **No**

Explain any "Yes" answer to the above questions on an attachment which shall be deemed part of this application.

Applicant agrees (a) that any manager employed in an on-sale licensed premises will have all the qualifications
of a licensee, and (b) that he will not violate or cause or permit to be violated any of the provisions of the
Alcoholic Beverage Control Act.

STATE OF CALIFORNIA County of **LASSEN**Date: **April 4, 2018**

Under penalty of perjury, each person whose signature appears below, certifies and says: (1) He is an applicant, or one of the applicants, or an executive officer of the applicant corporation, named in the foregoing application, duly authorized to make this application on its behalf; (2) that he has read the foregoing and knows the contents thereof and that each of the above statements therein made are true; (3) that no person other than the applicant or applicants has any direct or indirect interest in the applicant or applicant's business to be conducted under the license(s) for which this application is made; (4) that the transfer application or proposed transfer is not made to satisfy the payment of a loan or to fulfill an agreement entered into more than ninety (90) days preceding the day on which the transfer application is filed with the Department or to gain or establish a preference to or for any creditor or transferor or to defraud or injure any creditor of transferor; (5) that the transfer application may be withdrawn by either the applicant or the licensee with no resulting liability to the Department.

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Applicant Name(s)

Applicant Signature(s)

See 211 Signature Page

TOMS SIERRA COMPANY INC

9 C

CITY OF SUSANVILLE
66 North Lassen Street • Susanville CA
Kathie Garnier, Mayor
Joseph Franco, Mayor pro tem
Mendy Schuster * Kevin Stafford * Brian R. Wilson

SUSANVILLE COMMUNITY DEVELOPMENT AGENCY SUSANVILLE MUNICIPAL ENERGY CORPORATION SUSANVILLE
PUBLIC FINANCING AUTHORITY

Susanville City Council
Regular Meeting • City Council Chambers
April 18, 2018 – 6:00 p.m.

Call meeting to order
Roll call of Councilmembers present

Next Resolution No. 18-5500
Next Ordinance No. 18-1014

- 1 **APPROVAL OF AGENDA:** (Additions and/or Deletions)
- 2 **PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS** (if any): Any person may address the Council at this time upon any subject for discussion during Closed Session.
- 3 **CLOSED SESSION:**
 - A PUBLIC EMPLOYMENT – Pursuant to Government Code Section 54957
 - 1 City Administrator
 - B CONFERENCE WITH LABOR NEGOTIATORS - pursuant to Government Code Section 54957.6
 - 1 Agency Negotiator: Dan Newton
 Bargaining Unit: Professional/Technical
 - C CONFERENCE WITH LEGAL COUNCIL – EXISTING LITIGATION – Pursuant to paragraph (1) of subdivision (d) of Section 54956.9 of the California Government Code regarding two cases
- 4 **RETURN TO OPEN SESSION:** (recess if necessary)
 - *Reconvene in open session at 7:00 p.m.*
 - *Pledge of allegiance*
 - *Report any changes to agenda*
 - *Report any action out of Closed Session*
 - *Moment of Silence or Thought for the Day: Chief James Moore*
 - *Proclamations, awards or presentations by the City Council:*
- 5 **BUSINESS FROM THE FLOOR:**

Any person may address the Council at this time upon any subject on the agenda or not on the agenda within the jurisdiction of the City Council. However, comments on items on the agenda may be reserved until the item is discussed and any matter not on the agenda that requires action will be referred to staff for a report and action at a subsequent meeting. Presentations are subject to a five-minute limit.

6 **CONSENT CALENDAR:**

All matters listed under the Consent Calendar are considered to be routine by the City Council. There will be no separate discussion on these items. Any member of the public or the City Council may request removal of an item from the Consent Calendar to be considered separately.

- A Approve minutes from the City Council's March 6, 7 and April 4, 2018 meetings
- B Approve vendor warrants numbered 200867 through 200933 for a total of \$197,155.35 including \$98,880.51 in payroll warrants
- C Receive and file Monthly Finance Reports: February and March 2018

7 **PUBLIC HEARINGS:** No business.

8 **COUNCIL DISCUSSION/ANNOUNCEMENTS:**
Commission/Committee Reports:

9 **NEW BUSINESS:**

- A Consider sponsorship request from Lassen County Fair for the 2018 Susanville Bluegrass Festival scheduled for June 22 – 24, 2018
- B Consider approval of **Resolution No. 18-5484** approving street closure request for a portion of Sunkist Drive on May 19, 2018 and approve Riverside Park use fee waiver request for the CASA Superhero Fun Run
- C Consider approval of **Resolution No. 18-5499** terminating Airport Hangar Land Lease Agreement, Lot #13 with Virgil D. Buechler and executing Airport Ground Lease Agreement for Hangar #13 with Steve Datema
- D Consider approval of Riverside Park Project Design Workshops and Final Project Element selection

10 **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:** No business.

11 **SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

12 **CONTINUING BUSINESS:**

13 **CITY ADMINISTRATOR'S REPORTS:**

- A Upcoming City Council Meeting and Budget Workshop Schedule

14 **COUNCIL ITEMS:**

- A AB1234 travel reports:

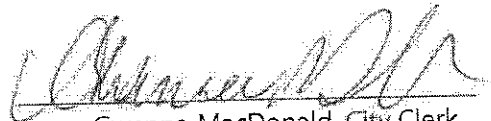
15 **ADJOURNMENT:**

- * The next regular City Council meeting will be held on May 2, 2018 at 6:00 p.m.

Reports and documents relating to each agenda item are on file in the Office of the City Clerk and are available for public inspection during normal business hours and at the meeting. These reports and documents are also available at the City's website www.cityofsusanville.org, unless there were systems problems posting to the website.

Accessibility: An interpreter for the hearing-impaired may be made available upon request to the City Clerk seventy-two hours prior to a meeting. A reader for the vision-impaired for purposes of reviewing the agenda may be made available upon request to the City Clerk. The location of this meeting is wheelchair-accessible.

I, Gwenna MacDonald, certify that I caused to be posted notice of the regular meeting scheduled for April 18, 2018 in the areas designated on April 13, 2018.



Gwenna MacDonald, City Clerk



Level I Developer Fee Study
for
Richmond Elementary
School District

March 26, 2018

Vicky Leitaker, Superintendent

Board of Trustees

Patrick Walton, President

Heather Marsh, Clerk

Wm. Jarrett Ellena, Member

Mark Rotlisberger, Member

John Wilczynski, Member

Prepared by:

Jack Schreder & Associates, Inc.

2230 K Street

Sacramento, CA 95816

916-441-0986

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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 2018, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.79 per square foot for residential construction and \$0.61 per square foot for commercial/industrial construction.
- The Richmond Elementary School District currently shares developer fees with the Lassen Union High School District. The developer fee sharing arrangement between the two school districts is currently 65 percent for the elementary school district and 35 percent to the high school district.
- The Richmond Elementary School District is justified in collecting \$2.46 (65 percent of \$3.79) per square foot for residential construction and \$0.40 (65 percent of \$0.61) 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 \$0.08 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 Richmond Elementary School District's projected modernization need of \$277,660 for students generated from residential development over the next 20 years and the projected residential square footage of 73,560.
- 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 at least \$3.77 ($\$277,660/73,560$).

- The commercial/industrial justification is based on the Richmond Elementary School District's projected modernization need of \$27,766 for students generated from commercial/industrial development over the next 20 years and the projected commercial/industrial square footage of 3,678.
- Based on the modernization need for students generated from projected commercial/industrial development and the projected commercial/industrial square footage, each square foot of commercial/industrial construction will create a school facilities cost of at least \$7.55 ($\$27,766/3,678$) with the exception of mini storage. The mini storage category of construction will create a school facilities cost of \$0.08 per square foot.

INTRODUCTION

In September, 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986) which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620 which 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 modernization of school facilities."

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 B construction set by the State Allocation Board. In January of 1992, the State Allocation Board increased the Level 1 fee to \$1.65 per square foot for residential construction and \$.27 per square foot for commercial and industrial construction.

Senate Bill 1287 (Chapter 1354/Statutes of 1992) effective January 1, 1993, affected the facility mitigation requirements a school district could impose on developers. Senate Bill 1287 allowed school districts to levy an additional \$1.00 per square foot of residential construction (Government Code Section 65995.3). The authority to levy the additional \$1.00 was rescinded by the failure of Proposition 170 on the November 1993 ballot.

In January 1994, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.72 per square foot for residential construction and \$.28 per square foot for commercial/industrial construction.

In January 1996, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.84 per square foot for residential construction and \$.30 per square foot for commercial/industrial construction.

In January 1998, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.93 per square foot for residential construction and \$.31 per square foot for commercial/industrial construction.

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 \$0.34 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 \$0.36 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.

In January 2018, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.79 per square foot for residential construction and \$0.61 per square foot for commercial/industrial construction.

The next adjustment to the fee will occur at the January 2020 State Allocation Board meeting.

In order to levy a fee, a district must make a finding that the fee to be paid bears a reasonable relationship and be limited to the needs of the community for elementary or high school facilities and be reasonably related to the need for schools caused by the development. Fees are different from taxes and do not require a vote of the electorate. Fees may be used only for specific purposes and there must be a reasonable relationship between the levying of fees and the impact created by development.

In accordance with the recent decision in the *Cresta Bella LP v. Poway Unified School District* (2013 WL 3942961) court Case, school districts are now required to demonstrate that reconstruction projects will generate an increase in the student population thereby creating an impact on the school district's facilities. School districts must establish a reasonable relationship between an increase in student facilities needs and the reconstruction project in order to levy developer fees.

Purpose of Study

This study will demonstrate the relationship between residential, commercial and industrial growth and the need for the modernization of school facilities in the Richmond Elementary School District.

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 Richmond 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).

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.

Proposed Development

According to the Siskiyou County Planning Department, minimal residential units are projected for construction within District boundaries in the next 20 years. Based on five years of developer fee records, an average of two units per year have been constructed within District boundaries. Based on the average number of units constructed in the previous five years, an estimated 40 (2 x 20) residential units may be constructed within District boundaries. The School Facility Program allows districts to apply for modernization funding for classrooms over 20 years old, meaning that school facilities are presumed to be eligible for, and therefore need, modernization after that time period. It is therefore generally presumed that school facilities have a useful life span of 20 years before modernization is needed in order to maintain the same level of service as previously existed. The same would be true for modernization of buildings 20 years after their initial modernization. Therefore, the District's modernization needs are considered over a 20 year period, and a 20 year projection has been included in the Study when considering the homes that will generate students for the facilities in question.

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 Richmond 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 \$33,779 (Appendix A). Table 1 shows the weighted average to construct facilities per K-8 pupil.

Table 1:
Construction Costs

Grade Level	Construction Costs
K-6	\$32,706
7-8	\$37,533
Weighted Average $((\$32,706 \times 7) + (\$37,533 \times 2) / 9) = \$33,779$	

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

Modernization Cost

The cost to modernize facilities is 41.1 percent of new construction costs. The percentage is based on the comparison of the State per pupil modernization grant (including 3% for Americans with Disabilities and Fire, Life Safety improvements) and the State per pupil new construction grant. For example, the State provides \$11,567 per K-6 pupil to construct new facilities and \$4,404 to modernize facilities, which is 38.1 percent ($\$4,404 / \$11,567$) of the new construction grant amount. In addition, the State provides a minimum of three percent for ADA/FLS improvements which are required by the Department of State Architect's (DSA) office. Based on the per pupil grant amounts and the ADA/FLS costs, the estimated cost to modernize facilities is 41.1 percent of the cost to construct facilities. The School Facility Program per pupil grant amounts are included in Appendix B.

The construction cost per K-8 pupil is \$33,779 and is outlined in Table 1 and included in Appendix A. Therefore, the per pupil cost to modernize facilities per K-8 pupil is \$13,883 ($\$33,779 \times .411$).

20 Year Modernization Need

The District's estimated modernization need generated by students generated from new residential development is \$277,660. The calculation is included in Table 2.

Table 2:
20 Year Modernization Need

Proposed Development	40
Student Yield	<u>x .5</u>
Students Generated	20
Per Pupil Modernization Cost	\$13,883
Students Generated	<u>x 20</u>
Modernization Need	\$277,660

Source: Richmond Elementary School District, Office of Public School Construction, and Jack Schreder & Associates.

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 Richmond Elementary School District by students generated from new development.

Based on five years of developer fee records, an estimated 40 residential units may be constructed within District boundaries in the next 20 years with an estimated average of 1,839 square feet per unit. Based on the projected development, approximately 40 housing units totaling 73,560 (40 x 1,839 square feet) 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 \$277,660 generated by students from residential construction and the total projected residential square footage of 73,560, residential construction will create a facilities cost of \$3.77 per square foot. The calculation is included in Table 3. However, the statutory Level I fee for residential construction is \$3.79 per square foot and the District has a fee sharing arrangement with the high school district. The high school district collects 35% of the fee and the

Richmond Elementary School District collects 65% of the fee. Therefore, the District is justified to collect \$2.46 (65 percent of \$3.79) per square foot of residential construction.

Table 3:
Facilities Cost per SF from Proposed Residential Construction

Modernization Need	Total Square Footage	Facilities Cost
\$277,660	/73,560	\$3.77

Source: Richmond Elementary School District, Jack Schreder & Associates, Office of Public School Construction.

Commercial/Industrial Development and Fee Projections

In order to levy developer fees on commercial and industrial development, Assembly Bill 181 provides that a district "... must determine the impact of the increased number of employees anticipated to result from commercial and industrial development upon the cost of providing school facilities within the district. For the purposes of making this determination, the [developer fee justification] study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual project or categorical basis". The passage of Assembly Bill AB 530 (Chapter 633/Statutes 1990) modified the requirements of AB 181 by allowing the use of a set of state-wide employee generation factors. Assembly Bill 530 allows the use of the employee generation factors identified in the San Diego Association of Governments report entitled, San Diego Traffic Generators. This study, which was completed in January of 1990, identifies the number of employees generated for every 1,000 square feet of floor area for several development categories. These generation factors are shown in Table 4.

Table 4 indicates the number of employees generated for every 1,000 square feet of development and the number of district households generated for every employee in 11 categories of commercial and industrial development. The number of district 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 4:
Commercial and Industrial Generation Factors

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

* 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 Richmond 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 \$0.08 per square foot of mini-storage construction. It is recommended that the Richmond Elementary School District levy a fee for mini-storage not to exceed \$0.08 per square foot.

Historical data shows that commercial/industrial square footage represents approximately five percent of residential square footage. District residential projections

indicate that 73,560 (Table 3) square feet of residential space will be constructed in the next 20 years. The five percent ratio represents 3,678 square feet of commercial and industrial development. Table 5 illustrates this calculation.

Table 5: <u>Projected Commercial/Industrial Square Footage</u>				
<u>Ratio</u>		<u>Residential SF</u>		<u>Commercial SF</u>
.05	x	73,560 sf	=	3,678 sf

Source: Richmond Elementary School District, Jack Schreder & Associates, original research.

According to the average employee generation factors in Table 4, commercial and industrial development will yield nine new employees and three new district households over the next 20 years. Table 6 illustrates this calculation.

Table 6: <u>Projected Employees/District Households</u> <u>from</u> <u>Commercial/Industrial Development</u>						
<u>Commercial/ Industrial SF</u>		<u>Average Employees Per 1,000 SF</u>		<u>New Employees</u>		<u>New Households</u>
3,678/1,000	x	2.55	=	9.38	x	.27 =
Number of Households = 3						

Source : San Diego Association of Governments, Richmond Elementary School District, Jack Schreder & Associates.

The addition of three new households created by commercial and industrial development will impact Richmond Elementary School District with an estimated two (3 x .5) additional student. Based on the per pupil K-8 modernization cost of \$13,883, the estimated cost to house one student generated from commercial/industrial construction is \$27,766 (\$13,883 x 2).

Based on the District's modernization need of \$27,766, generated by students from commercial/industrial construction and the total projected square footage of 3,678, commercial/industrial construction will create a facilities cost of \$7.55 per square foot with the exception of mini storage. However, the statutory Level I fee for commercial/industrial construction is \$0.61 per square foot and the District has a fee sharing arrangement with the high school district. The high school district collects 35% of the fee and the Richmond Elementary School District collects 65% of the fee. Therefore, the District is justified to collect \$0.40 (65 percent of \$0.61) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category should be collected at a rate of \$0.08 per square foot. The commercial/industrial calculation is included in Table 7.

Table 7:
Facilities Cost per SF from Proposed Commercial/Industrial Construction

Modernization Need		Total Square Footage		Level I Fee
\$27,766	/	3,678	=	\$3.77

Source: Richmond Elementary School District, Jack Schreder & Associates, Office of Public School Construction.

Summary

Based on the District's modernization need of \$277,660 generated by students from residential construction and the total projected residential square footage of 73,560, residential construction will create a facilities cost of \$3.77 per square foot. However, the statutory Level I fee for residential construction is \$3.79 per square foot and the District has a fee sharing arrangement with the high school district. The high school district collects 35% of the fee and the Richmond Elementary School District collects 65% of the fee. Therefore, the District is justified to collect \$2.46 (65 percent of \$3.79) per square foot of residential construction.

Based on the District's modernization need of \$27,766 generated by students from commercial/industrial construction and the total projected square footage of

3,678, commercial/industrial construction will create a facilities cost of \$7.55 per square foot with the exception of mini storage. However, the statutory Level I fee for commercial/industrial construction is \$0.61 per square foot and the District has a fee sharing arrangement with the high school district. The high school district collects 35% of the fee and the Richmond Elementary School District collects 65% of the fee. Therefore, the District is justified to collect \$0.40 (65 percent of \$0.61) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category should be collected at a rate of \$0.08 per square foot.

SECTION II: BACKGROUND OF DEVELOPER FEE LEGISLATION

Initially, the allowable developer fee was limited by Government Code Section 65995 to \$1.50 per square foot of covered or enclosed space for residential development and \$.25 per square foot of covered or enclosed space of commercial or industrial development. The Level 1 fee that can be levied is adjusted every two years, according to the inflation rate as listed by the state-wide index for Class B construction set by the State Allocation Board. In January of 2018, the State Allocation Board changed the Level I fee to \$3.79 per square foot of residential construction and \$0.61 per square foot of commercial and industrial construction.

The fees collected are to be used by the school district for the construction or modernization of school facilities and may be used by the district to pay bonds, notes, loans, leases or other installment agreements for temporary as well as permanent facilities.

Assembly Bill 3228 (Chapter 1602/Statutes of 1990) added Government Code Section 66016 requiring districts adopting or increasing any fee to first hold a public 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.
2. The amount of the fee does not exceed the estimated reasonable costs of the school facilities necessitated by the structures as to which the fees are to be collected.
3. In determining the amount of the fees, the school district shall consider the relationship between the proposed increase in the number of employees, if any, the size and specific use of the structure, as well as the cost of construction.

In order to levy developer fees, a study is required to assess the impact of new growth and the ability of the local school district to accommodate that growth. The need for new school construction and modernization must be determined along with the costs involved. The sources of revenue need to be evaluated to determine if the district can fund the new construction and modernization. Finally, a relationship between needs and funding raised by the fee must be quantified.

Assembly Bill 181 (Chapter 1109/Statutes of 1989) which became effective October 2, 1989, was enacted to clarify several areas of developer fee law. Assembly Bill 181 provisions include the following:

1. Exempts residential remodels of less than 500 square feet from fees.
2. Prohibits the use of developer fee revenue for routine maintenance and repair, most asbestos work, and deferred maintenance.
3. Allows the fees to be used to pay for the cost of performing developer fee justification studies.
4. States that fees are to be collected at the time of occupancy, unless the district can justify earlier collection. The fees can be collected at the time the building permit is issued if the district has established a developer fee account and funds have been appropriated for which the district has adopted a proposed construction schedule or plan prior to the issuance of the certificate of occupancy.
5. Clarifies that the establishment or increase of fees is not subject to the California Environmental Quality Act.
6. Clarifies that the impact of commercial and industrial development may be analyzed by categories of development as well as 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.

"Development project" is defined broadly to mean any project undertaken for purposes of development. This would include residential, commercial, or industrial projects.

"Public facilities" is defined to include public improvements, public services, and community amenities.

Section 66001 (a) sets forth the requirements for establishing, increasing or imposing fees. Local agencies are required to do the following:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Section 66001 (c) requires that any fee subject to AB 1600 be deposited in an account established pursuant to Government Code Section 66006. Section 66006 requires that development fees be deposited in a capital facilities account or fund. To avoid any commingling of the fees with other revenues and funds of the local agency, the fees can only be expended for the purpose for which they were collected. Any income earned on the fees should be deposited in the account and expended only for the purposes for which the fee was collected.

Section 66001 (d) as amended by Senate Bill 1693 (Monteith/Statutes of 1996, Chapter 569), requires that for the fifth year following the first deposit into a developer fee fund, and for every five years thereafter, a school district must make certain findings as to such funds. These findings are required regardless of whether the funds are committed or uncommitted. Formerly only remaining unexpended or uncommitted fees were subject to the mandatory findings and potential refund process. Under this 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.
2. A benefit nexus must be established. A benefit nexus is established if the fee is used to construct or modernize school facilities benefiting students to be generated from development projects.
3. A burden nexus must be established. A burden nexus is established if a project, by the generation of students, creates a need for additional facilities or a need to modernize existing facilities.

SECTION IV: REVENUE SOURCES FOR FUNDING FACILITIES

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

State Sources

State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August of 1998. The new program, entitled the School Facility Program, provides funding under a "grant" program once a school district establishes eligibility. Funding required from districts will be a 50/50 match for construction projects and 60/40 (District/State) match for modernization projects. Districts may levy the current statutory developer fee as long as a district can justify collecting that fee. If a district desires to collect more than the statutory fee (Level 2 or Level 3), that district must meet certain requirements outlined in the law, as well as conduct a needs assessment to enable a higher fee to be calculated.

Local Sources

Mello-Roos Community Facilities Act

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

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 has no bond funds for the construction of facilities.

Developer Fees

District developer fees are dedicated to the current needs related directly to modernization and new construction 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 acquisition of real property, construction of facilities, financing research, or any other non-instructional purpose."

SECTION V: ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

In accordance with Government Code Section 66001, the District has established a cost nexus and identified the purpose of the fee, established a benefit nexus, and a burden nexus:

Establishment of a Cost Nexus & Identify Purpose of the Fee

The Richmond Elementary School District chooses to construct and/or modernize facilities for the additional students created by development in the district and the cost for providing new and/or modernized facilities exceeds the amount of developer fees to be collected. It is clear that when educational facilities are provided for students generated by new residential, commercial and industrial development that the cost of new facilities exceeds developer fee generation, thereby establishing a cost nexus.

Establishment of a Benefit Nexus

Students generated by new residential, commercial and industrial development will be attending district schools. Housing District students in new and/or modernized facilities will directly benefit those students from the new development projects upon which the fee is imposed, therefore, a benefit nexus is established.

Establishment of a Burden Nexus

The generation of new students by development will create a need for additional and/or modernized school facilities. The District must carry the burden of constructing new facilities required by the students generated by future developments and the need for facilities will be, in part, satisfied by the levying of developer fees, therefore, a burden nexus is established.

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 consider participation in the State School Facility Program.

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 construction and/or modernization of school facilities. The District will provide for the construction 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 Richmond Elementary School District levy residential development fees and commercial/industrial fees up to the statutory fee for which justification has been determined.

SOURCES

California Basic Educational Data System. California State Department of Education. October Enrollments, 2014-2016.

California State Department of Education. California Public School Directory, 2010.

Collard, Gary. Lead Housing Analyst for Southern California. California State Department of Housing and Community Development.

Leitaker, Vicky. Superintendent, Richmond Elementary School District.

Office of Public School Construction. Leroy F. Greene School Facilities Act, 1998.

San Diego Association of Governments. Traffic Generators, January 1990.

Schreder, Jack and Associates. Original research.

APPENDIX A
CONSTRUCTION COSTS

Elementary School Facility Construction Costs			
I. Allowable Building Area			
	A. Total Student Capacity		
	B. Building Area		
	600 students @ 71sf/student		42,600
	Speech/Resource Specialist		600
	Total		43,200
II. Site Requirements			
	A. Purchase Price of Property (10 Acres)		
	Cost per Acre		\$0
	B. Appraisals		\$0
	C. Costs Incurred in Escrow		\$0
	D. Surveys		\$0
	E. Other Costs, Geo. and Soils Reports		\$0
	Total-Acquisition of Site		\$0
III. Plans			
	A. Architect's Fee for Plans		\$1,136,613
	B. DSA Plans Check Fee		\$92,418
	C. School Planning, Plans Check Fee		\$7,833
	D. Preliminary Tests		\$6,006
	E. Other Costs, Energy Cons. & Advertising		\$52,734
			\$1,295,604
IV. Construction Requirements			
	A. Utility Services		\$504,376
	B. Off-site Development		\$756,563
	C. Site Development, Service		\$1,210,499
	D. Site Development, General		\$806,999
	E. New Construction		\$12,288,700
	F. Unconventional Energy Source		\$687,056
	Total Construction		\$16,254,193
	Total Items II, III and IV		\$17,549,797
	Contingency 10%		\$1,754,980
	Construction Tests		\$187,183
	Inspection		\$131,576
	TOTAL ESTIMATED PROJECT COSTS		\$19,623,536
	ESTIMATED COST PER STUDENT		\$32,706
*Source: California Department of Education, Jack Schreder & Associates.			

Middle School Facility Construction Costs			
I. Allowable Building Area			
	A. Total Student Capacity		
	B. Building Area		
	1000 students @ 85sf/student		85,000
	Speech/Resource Specialist		1,360
	Total		86,360
II. Site Requirements			
	A. Purchase Price of Property (20 Acres)		
	Cost per Acre	\$0	\$0
	B. Appraisals		\$0
	C. Costs Incurred in Escrow		\$0
	D. Surveys		\$0
	E. Other Costs, Geo. and Soils Reports		\$0
	Total-Acquisition of Site		\$0
III. Plans			
	A. Architect's Fee for Plans		\$2,169,666
	B. OSA Plans Check Fee		\$142,883
	C. School Planning, Plans Check Fee		\$8,993
	D. Preliminary Tests		\$9,991
	E. Other Costs, Energy Cons. & Advertising		\$76,936
			\$2,408,469
IV. Construction Requirements			
	A. Utility Services		\$739,991
	B. Off-site Development		\$832,810
	C. Site Development, Service		\$2,300,396
	D. Site Development, General		\$1,640,844
	E. New Construction		\$24,645,300
	F. Unconventional Energy Source		\$1,175,028
	Total Construction		\$31,334,369
	Total Items II, III and IV		\$33,742,838
	Contingency		\$3,374,284
	Construction Tests		\$263,031
	Inspection		\$153,073
	TOTAL ESTIMATED PROJECT COSTS		\$37,533,226
	ESTIMATED COST PER STUDENT		\$37,533

*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 24, 2018

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	Current Adjusted Grant Per Pupil Effective 1-1-18
New Construction	Elementary	1859.71	\$11,104	\$11,567
	Middle	1859.71	\$11,744	\$12,234
	High	1859.71	\$14,944	\$15,567
	Special Day Class – Severe	1859.71.1	\$31,202	\$32,503
	Special Day Class – Non-Severe	1859.71.1	\$20,867	\$21,737
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$13	\$14
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$18	\$19
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$30	\$31
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$56	\$58
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$39	\$41
	Automatic Sprinkler System – Elementary	1859.71.2	\$186	\$194
	Automatic Sprinkler System – Middle	1859.71.2	\$221	\$230
	Automatic Sprinkler System – High	1859.71.2	\$230	\$240
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$588	\$613
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$395	\$411
Modernization	Elementary	1859.78	\$4,228	\$4,404
	Middle	1859.78	\$4,472	\$4,658
	High	1859.78	\$5,855	\$6,099
	Special Day Class – Severe	1859.78.3	\$13,475	\$14,037
	Special Day Class – Non-Severe	1859.78.3	\$9,015	\$9,391
	State Special School – Severe	1859.78	\$22,460	\$23,397
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$378	\$394
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$253	\$264
	Over 50 Years Old – Elementary	1859.78.6	\$5,874	\$6,119
	Over 50 Years Old – Middle	1859.78.6	\$6,212	\$6,471
	Over 50 Years Old – High	1859.78.6	\$8,132	\$8,471
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$18,721	\$19,502
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$12,519	\$13,041
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$31,201	\$32,502

**RICHMOND SCHOOL
RESOLUTION 17/18-8**

RESOLUTION OF THE BOARD OF TRUSTEES OF THE RICHMOND ELEMENTARY
SCHOOL DISTRICT TO INCREASE STATUTORY DEVELOPMENT FEES IMPOSED ON
NEW RESIDENTIAL AND COMMERCIAL/INDUSTRIAL DEVELOPMENT PROJECTS
PURSUANT TO EDUCATION CODE SECTION 17620, ET SEQ.
("FEE INCREASE RESOLUTION")

WHEREAS, the Board of Trustees ("Board") of the Richmond Elementary School District ("District") provides for the educational needs of students within the District's boundaries; and

WHEREAS, Education Code section 17620, et seq., authorizes a school district to levy a fee, charge, or dedication ("Statutory Development Fees") against a development projects as set forth in Government Code section 65995, et seq. to finance the construction and reconstruction of school facilities; and

WHEREAS, the Board has previously adopted resolutions to impose, and currently imposes, Statutory Development Fees pursuant to Education Code section 17620 et seq. and Government Code section 65995 et seq., which include new residential construction and certain reconstruction and new commercial or industrial construction, and all such prior resolutions are hereby incorporated by reference as if fully set forth; and

WHEREAS, Government Codes section 65995 provides for the periodic adjustment of the Statutory Development Fees; and

WHEREAS, on January 24, 2018, pursuant to Government Code section 65995, the State Allocation Board approved an inflationary adjustment in the Statutory Development Fees to be levied on developments to \$3.79 per square foot of assessable space for new residential development and \$0.61 per square foot for chargeable covered and enclosed space for commercial and industrial development; and

WHEREAS, the current fee sharing agreement of the District with the Lassen Union High School District provides for the District to receive 65 percent of the maximum Statutory Development Fees; and

WHEREAS, new residential and commercial/industrial development continues to generate students which impacts the District's schools and facilities; and

WHEREAS, the District is required to provide adequate school facilities ("School Facilities") to accommodate those students; and

WHEREAS, overcrowded schools negatively impact the quality education and educational opportunities for students; and

WHEREAS, the District does not have sufficient funds available for the construction or reconstruction of School Facilities, including acquisition of sites, construction of permanent School Facilities, and acquisition of interim School Facilities, to accommodate students from new residential and commercial/industrial development; and

WHEREAS, the Board of the District has received and considered a study entitled "Level I Developer Fee Study for Richmond Elementary School District" ("Study"), prepared by Jack Schreder & Associates, Inc., which is attached to this Resolution as Exhibit A, and incorporated herein as if fully set forth; and

WHEREAS, the Study sets forth information, documentation, evidence and analysis of the District's School Facilities needs, and also sets forth: 1) the purpose of the Statutory Development Fees; 2) the use to which the Statutory Development Fees will be put; 3) the public improvement that the Statutory Development Fees will be used to finance; 4) the reasonable relationship between: (a) the use for Statutory Development Fees and the type of project on which the Statutory Development Fees are imposed; (b) the need for School Facilities and the type of development project on which the Statutory Development Fee will be imposed; and (c) the amount of the Statutory Development Fee and the cost of the School Facilities; 5) an evaluation and projection of the number of students that will be generated by new residential development; 7) the new School Facilities that will be required to serve such students, and 8) the cost of such School Facilities; and

WHEREAS, the Study also sets forth additional information, documentation, evidence, and analysis to determine the impact on District School Facilities caused by increased number of employees anticipated to result from commercial or industrial development within the District, on a categorical basis, and upon the cost of providing adequate School Facilities to house students generated from such development within the District, as required for an increase of Statutory Development Fees applicable to commercial and industrial development; and

WHEREAS, said Study was made available to the public at least (10) days before the Board considered it, and the increase of Statutory Development Fees, at a regularly scheduled public meeting as required by law; and

WHEREAS, all required notices of the proposed increase in the Statutory Development Fees have been given; and

WHEREAS, on April 12, 2018, pursuant to Government Code sections 66004, 66016 and 66018, the Board held a properly noticed public hearing ("Hearing") at a regularly scheduled meeting of the Board to consider the Study and a proposed increase of the Statutory Development Fees levied by the District; and

WHEREAS, members of the public had opportunity to make oral or written presentations during the Hearing; and

WHEREAS, Education Code section 17621(a) provides that the adoption, increase or imposition of any fee, charge, dedication, or other requirement, pursuant to Education Code Section 17620 shall not be subject to Division 13 (commencing with Section 21000) of the Public Resources Code (the California Environmental Quality Act or "CEQA").

NOW, THEREFORE, be it resolved by the Board of the District as follows:

1. The Board accepts and adopts the Study attached as Exhibit A.
2. Based on the Study, the recommendations of the administration, and all related documentation and oral information presented to the Board, including the results of the Hearing, the Board makes the following findings:
 - a. The purpose of the Statutory Development Fees is to provide adequate School Facilities for students of the District who will be generated by new residential or commercial or industrial development in the District.
 - b. The Statutory Development Fees will be used to finance the construction and reconstruction of School Facilities developed pursuant to the District's current Facilities Master Plan.
 - c. There is a reasonable relationship between the use of the Statutory Development Fees and the types of development on which the Statutory Development Fees will be imposed because, as set forth in the Study, the Statutory Development Fees will be used to construct or reconstruct School Facilities to adequately house students of the District who are generated by the construction of residential or commercial or industrial development within the District.
 - d. There is a reasonable relationship between the need for the imposition of the Statutory Development Fees and the types of development projects on which the Statutory Development Fees will be imposed because, as set forth in the Study, the District is not able to adequately house existing students and the students who will be generated by residential or commercial or industrial development without the construction of new School Facilities or the reconstruction of existing School Facilities.
 - e. The Study determines the impact on the District's School Facilities caused by the increased number of employees anticipated to result from commercial or industrial development within the District on a categorical basis and the resulting cost of providing adequate School Facilities for students generated from such commercial or industrial development.
 - f. As set forth in the Study, the amount of the Statutory Development Fees adopted by State Allocation Board on January 24, 2018, in the amount of \$3.79 per square foot of assessable space for new residential development and \$0.61 per square foot for chargeable covered and enclosed space for commercial or industrial development, does not exceed the estimated reasonable cost of providing for the construction or reconstruction of the School Facilities necessitated by residential or commercial or industrial development, *except* that the estimated reasonable cost of providing for the construction or reconstruction of the School Facilities necessitated by mini storage commercial or industrial development is only \$0.08 per square foot.

- g. There is a reasonable relationship between the amount of the Statutory Development Fees and the cost of new School Facilities or reconstruction of existing School Facilities which is attributable to the development upon which the Statutory Development Fees will be imposed because, as set forth in the Study, the square footage of the developments has a direct relationship to the number of students that will be generated and, consequently, to the School Facilities that the District must construct or reconstruct to adequately house the students generated by such developments.
 - h. There are no other adequate sources of funds to meet the District's needs for adequate School Facilities caused by the impact of construction of new residential or commercial or industrial development within the District.
3. Pursuant to the findings in paragraph 2 above, the Board adopts an increase in Statutory Development Fees as follows:
- a. \$3.79 per square foot of assessable space for new residential development; and
 - b. \$0.61 per square foot for chargeable covered and enclosed space for commercial or industrial development, except that chargeable mini storage covered and enclosed space for commercial or industrial development shall incur a fee of only \$0.08 per square foot.
4. The District shall collect 65 percent of the Statutory Development Fees as set forth in the fee sharing agreement with the Lassen Union High School District.
5. The Superintendent, or designee, is directed and authorized to provide notice of the adoption of the fee increase as required by law, including notice to the City of Susanville and the County of Lassen, along with a map indicating the boundaries of the area subject to the Statutory Developer Fee and any supporting documentation, pursuant to Education Code section 17621, and to take all steps necessary to effect the intent of this Resolution. Such notice shall include a statement that the Statutory Development Fees are not subject to the restrictions set forth in Government Code section 66007(a).
6. The Superintendent, or designee, is directed and authorized to file with the County Recorder a Notice of Exemption from CEQA for the increase in Statutory Development Fees.
7. The Board shall review its Statutory Development Fees periodically to determine if an increase according to the amount set by the State Allocation Board is justified.
8. The Statutory Development Fees do not apply to any contract entered into prior to January 1, 1987 for the payment of developer mitigation amounts to the District.
9. Nothing in this Resolution shall be construed to affect the District's ability or authority to increase the Statutory Development Fees as allowed by law, enter into agreements with developers or builders, or to otherwise adopt or impose additional mitigation amounts to

the extent permitted by law to fully mitigate the impact of residential or commercial or industrial construction within the District on the District's School Facilities.

10. The Superintendent, or designee, is directed and authorized to enter into negotiations with builders and developers of residential, commercial or industrial development projects for agreements for mitigation amounts, dedications, or other requirements in lieu of the payment of Statutory Development Fees, which negotiated agreement shall be subject to the Board's approval.
11. The Statutory Development Fees, along with any interest earned, shall be kept in a separate capital facilities account and accounted for and administered as required by law.
12. The collection of the Statutory Mitigation Fees shall be subject to the provisions set forth in Education Code section 17620, et seq. and Government Code section 65995, et seq.
13. The collection of the Statutory Mitigation Fees shall not be subject to the restrictions set forth in Government Code section 66007(a) and shall be collected prior to the issuance of the first building permit, or similar permit, required for a particular development project.
14. The District's administration is authorized to expend and create obligations for, or otherwise encumber, the Development Mitigation Fees to the full extent authorized by law.
15. The Statutory Development Fees may be paid under protest pursuant to Government Code section 66020.
16. The Statutory Development Fees shall become effective sixty (60) days after the date of adoption of this Resolution by the Board.

ADOPTED by the Governing Board of the Richmond Elementary School District on the 12th day of April, 2018 by the following vote:

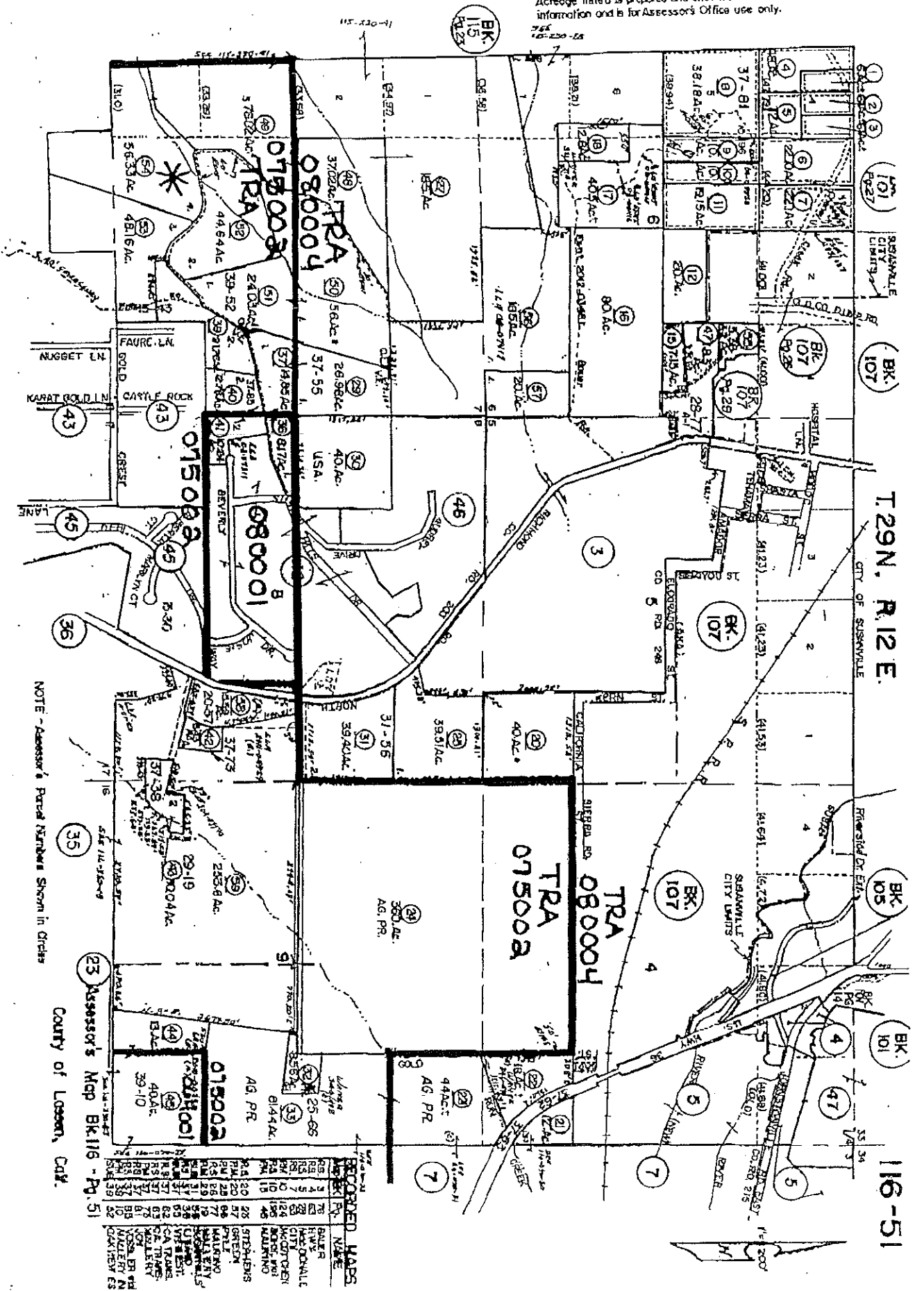
AYES: 5
NOES: 0
ABSENT: 0
ABSTAIN: 0

ATTEST:

Heather Marsh
Heather Marsh, Clerk

By: Patrick Walton
Patrick Walton, President

Acres listed is prepared and checked with available information and is for Assessor's Office use only.



NOTE - Assessor's Parcel Number Shown in Circles

County of Lassen, Cal.

Assessor's Map Bk. 116 - Pg. 51

RECORDED MAPS

MAP NO.	DATE	NAME
1	1911	W. H. HAWES
2	1912	W. H. HAWES
3	1913	W. H. HAWES
4	1914	W. H. HAWES
5	1915	W. H. HAWES
6	1916	W. H. HAWES
7	1917	W. H. HAWES
8	1918	W. H. HAWES
9	1919	W. H. HAWES
10	1920	W. H. HAWES
11	1921	W. H. HAWES
12	1922	W. H. HAWES
13	1923	W. H. HAWES
14	1924	W. H. HAWES
15	1925	W. H. HAWES
16	1926	W. H. HAWES
17	1927	W. H. HAWES
18	1928	W. H. HAWES
19	1929	W. H. HAWES
20	1930	W. H. HAWES
21	1931	W. H. HAWES
22	1932	W. H. HAWES
23	1933	W. H. HAWES
24	1934	W. H. HAWES
25	1935	W. H. HAWES
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31	1941	W. H. HAWES
32	1942	W. H. HAWES
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79	1989	W. H. HAWES
80	1990	W. H. HAWES
81	1991	W. H. HAWES
82	1992	W. H. HAWES
83	1993	W. H. HAWES
84	1994	W. H. HAWES
85	1995	W. H. HAWES
86	1996	W. H. HAWES
87	1997	W. H. HAWES
88	1998	W. H. HAWES
89	1999	W. H. HAWES
90	2000	W. H. HAWES

California State Board of Equalization
Districts with TRAs and Maps
for the 2013/14 Board Roll of State Assessed Properties
for Lassen County
02 ELEM. SCHOOL

[0003] JANESVILLE UNION

TRAs

062-001 062-002 062-003 062-004 062-005 062-006 062-007 062-008 062-009 062-010
062-011 062-012 062-013

Total TRA's for this District: 13

Maps

011 012

Total Maps for this District: 2

[0004] JANESVILLE UNION-MILFORD ANX. (BLO)

TRAs

062-007 062-009 062-011 062-012 062-013

Total TRA's for this District: 5

Maps

011 012

Total Maps for this District: 2

[0005] JOHNSTONVILLE

TRAs

064-001 064-002 064-003 064-004

Total TRA's for this District: 4

Maps

008 011

Total Maps for this District: 2

[0006] RAVENDALE

TRAs

074-000 074-001 074-004

Total TRA's for this District: 3

Maps

002 003 004 005 006

Total Maps for this District: 5

[0007] RICHMOND

TRAs

001-003 075-001 075-002 075-003 075-004

Total TRA's for this District: 5

Maps

009 011 021

Total Maps for this District: 3

[0008] SHAFFER UNION

TRAs

001-025 001-026 001-027 077-000 077-001 077-002 077-003 077-004 077-005 077-006
077-007 077-008 077-009 077-010 077-011 077-012 077-013 077-014 077-015

Total TRA's for this District: 19

g e

Level I Developer Fee Study
for
Lassen Union High
School District

February 13, 2018

Bill McCabe, Superintendent

Board of Trustees

Kevin Jones, President
Ken Theobald, Vice President
Michelle Zubillaga, Clerk
Skip Jones, Member
Margie Teeter, Member

Prepared by:

Jack Schreder & Associates, Inc.
2230 K Street
Sacramento, CA 95816
916-441-0986

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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 2018, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.79 per square foot for residential construction and \$0.61 per square foot for commercial/industrial construction.
- The Lassen Union High School District shares developer fees with its feeder districts. The developer fee sharing arrangement between the two school districts is currently 35 percent for the high school district and 65 percent to the feeder districts.
- The Lassen Union High School District is justified in collecting \$1.33 (35 percent of \$3.79) per square foot for residential construction and \$0.21 (35 percent of \$0.61) 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 \$0.04 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 42.2 percent of the cost to construct new facilities.
- The residential justification is based on the Lassen Union High School District's projected modernization need of \$514,640 for students generated from residential development over the next 20 years and the projected residential square footage of 204,960.
- 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 at least \$2.51 ($\$514,640 / 204,960$).

- The commercial/industrial justification is based on the Lassen Union High School District's projected modernization need of \$36,760 for students generated from commercial/industrial development over the next 20 years and the projected commercial/industrial square footage of 10,248.
- Based on the modernization need for students generated from projected commercial/industrial development and the projected commercial/industrial square footage, each square foot of commercial/industrial construction will create a school facilities cost of at least \$3.59 ($\$36,760/10,248$) with the exception of mini storage. The mini storage category of construction will create a school facilities cost of \$0.04 per square foot.

INTRODUCTION

In September, 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986) which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620 which 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 modernization of school facilities."

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 B construction set by the State Allocation Board. In January of 1992, the State Allocation Board increased the Level 1 fee to \$1.65 per square foot for residential construction and \$.27 per square foot for commercial and industrial construction.

Senate Bill 1287 (Chapter 1354/Statutes of 1992) effective January 1, 1993, affected the facility mitigation requirements a school district could impose on developers. Senate Bill 1287 allowed school districts to levy an additional \$1.00 per square foot of residential construction (Government Code Section 65995.3). The authority to levy the additional \$1.00 was rescinded by the failure of Proposition 170 on the November 1993 ballot.

In January 1994, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.72 per square foot for residential construction and \$.28 per square foot for commercial/industrial construction.

In January 1996, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.84 per square foot for residential construction and \$.30 per square foot for commercial/industrial construction.

In January 1998, the State Allocation Board's biennial inflation adjustment changed the fee to \$1.93 per square foot for residential construction and \$.31 per square foot for commercial/industrial construction.

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 \$com 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 \$0.36 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.

In January 2018, the State Allocation Board's biennial inflation adjustment changed the fee to \$3.79 per square foot for residential construction and \$0.61 per square foot for commercial/industrial construction.

The next adjustment to the fee will occur at the January 2020 State Allocation Board meeting.

In order to levy a fee, a district must make a finding that the fee to be paid bears a reasonable relationship and be limited to the needs of the community for elementary or high school facilities and be reasonably related to the need for schools caused by the development. Fees are different from taxes and do not require a vote of the electorate. Fees may be used only for specific purposes and there must be a reasonable relationship between the levying of fees and the impact created by development.

In accordance with the recent decision in the *Cresta Bella LP v. Poway Unified School District* (2013 WL 3942961) court Case, school districts are now required to demonstrate that reconstruction projects will generate an increase in the student population thereby creating an impact on the school district's facilities. School districts must establish a reasonable relationship between an increase in student facilities needs and the reconstruction project in order to levy developer fees.

Purpose of Study

This study will demonstrate the relationship between residential, commercial and industrial growth and the need for the modernization of school facilities in the Lassen Union High School District.

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 Lassen Union High 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).

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.

Proposed Development

According to the Lassen County Planning Department, development in Lassen Union High School's boundary is likely to continue at approximately the same rate as the previous five years. Based on five years of developer fee records, fees were paid on the average of seven units per year. Based on this average, an estimated 140 (7 x 20) residential units may be constructed within District boundaries. The School Facility Program allows districts to apply for modernization funding for classrooms over 20 years old, meaning that school facilities are presumed to be eligible for, and therefore need, modernization after that time period. It is therefore generally presumed that school facilities have a useful life span of 20 years before modernization is needed in order to maintain the same level of service as previously existed. The same would be true for modernization of buildings 20 years after their initial modernization. Therefore, the District's modernization needs are considered over a 20 year period, and a 20 year projection has been included in the Study when considering the homes that will generate students for the facilities in question.

Student Yield

To identify the number of students anticipated to be generated by new residential development, a student yield factor of .2 has been utilized for the Lassen Union High 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 9-12 pupil is \$43,554 (Appendix A) and is included in Table 1.

Table 1:
Construction Costs

Grade Level	Construction Costs
9-12	\$43,554

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

Modernization Cost

The cost to modernize facilities is 42.2 percent of new construction costs. The percentage is based on the comparison of the State per pupil modernization grant (including 3% for Americans with Disabilities and Fire, Life Safety improvements) and the State per pupil new construction grant. For example, the State provides \$15,567 per 9-12 pupil to construct new facilities and \$6,099 to modernize facilities, which is 39.2 percent ($\$6,099 / \$15,567$) of the new construction grant amount. In addition, the State provides a minimum of three percent for ADA/FLS improvements which are required by the Department of State Architect's (DSA) office. Based on the per pupil grant amounts and the ADA/FLS costs, the estimated cost to modernize facilities is 42.2 percent of the cost to construct facilities. The School Facility Program per pupil grant amounts are included in Appendix B.

The construction cost per 9-12 pupil is \$43,554 and is outlined in Table 1 and included in Appendix A. Therefore, the per pupil cost to modernize facilities per 9-12 pupil is \$18,380 ($\$43,554 \times .422$).

20 Year Modernization Need

The District's estimated modernization need generated by students generated from new residential development is \$514,640. The calculation is included in Table 2.

Table 2:
20 Year Modernization Need

Proposed Development	140
Student Yield	<u>x .2</u>
Students Generated	28
Per Pupil Modernization Cost	\$18,380
Students Generated	<u>x 28</u>
Modernization Need	\$514,640

Source: Lassen Union High School District, Office of Public School Construction, and Jack Schreder & Associates.

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 Lassen Union High School District by students generated from new development.

Based on five years of developer fee records, an estimated 140 residential units may be constructed within District boundaries in the next 20 years with an estimated average of 1,464 square feet per unit. Based on the projected development, approximately 140 housing units totaling 204,960 (140 x 1,464 square feet) will 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 \$514,640 generated by students from residential construction and the total projected residential square footage of 204,960, residential construction will create a facilities cost of \$2.51 per square foot. The calculation is included in Table 3. However, the statutory Level I fee for residential construction is \$3.79 per square foot and the District has a fee sharing arrangement with the elementary school district. The high school district collects 35%

of the fee and its feeders collect 65% of the fee. Therefore, the District is justified to collect \$1.33 (35 percent of \$3.79) per square foot of residential construction.

Table 3:
Facilities Cost per SF from Proposed Residential Construction

Modernization Need	Total Square Footage	Facilities Cost
\$514,640	/204,960	\$2.51

Source: Lassen Union High School District, Jack Schreder & Associates, Office of Public School Construction.

Commercial/Industrial Development and Fee Projections

In order to levy developer fees on commercial and industrial development, Assembly Bill 181 provides that a district "... must determine the impact of the increased number of employees anticipated to result from commercial and industrial development upon the cost of providing school facilities within the district. For the purposes of making this determination, the [developer fee justification] study shall utilize employee generation estimates that are based on commercial and industrial factors within the district, as calculated on either an individual project or categorical basis". The passage of Assembly Bill AB 530 (Chapter 633/Statutes 1990) modified the requirements of AB 181 by allowing the use of a set of state-wide employee generation factors. Assembly Bill 530 allows the use of the employee generation factors identified in the San Diego Association of Governments report entitled, San Diego Traffic Generators. This study, which was completed in January of 1990, identifies the number of employees generated for every 1,000 square feet of floor area for several development categories. These generation factors are shown in Table 4.

Table 4 indicates the number of employees generated for every 1,000 square feet of development and the number of district households generated for every employee in 11 categories of commercial and industrial development. The number of district 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 4:
Commercial and Industrial Generation Factors

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

* 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 Lassen Union High 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 \$0.04 per square foot of mini-storage construction. It is recommended that the Lassen Union High School District levy a fee for mini-storage not to exceed \$0.04 per square foot.

Historical data shows that commercial/industrial square footage represents approximately five percent of residential square footage. District residential projections

indicate that 204,960 (Table 3) square feet of residential space will be constructed in the next 20 years. The five percent ratio represents 10,248 square feet of commercial and industrial development. Table 5 illustrates this calculation.

Table 5: <u>Projected Commercial/Industrial Fee Square Footage</u>				
<u>Ratio</u>		<u>Residential SF</u>		<u>Commercial SF</u>
.05	x	204,960 sf	=	10,248 sf

Source: Lassen Union High School District, Jack Schreder & Associates, original research.

According to the average employee generation factors in Table 4, commercial and industrial development will yield 26 new employees and seven new district households over the next 20 years. Table 6 illustrates this calculation.

Table 6: <u>Projected Employees/District Households</u> <u>from</u> <u>Commercial/Industrial Development</u>						
<u>Commercial/ Industrial SF</u>		<u>Average Employees Per 1,000 SF</u>		<u>New Employees</u>		<u>New Households</u>
10,248/1,000	x	2.55	=	26	x	.27 =
Number of Households = 7						

Source: San Diego Association of Governments, Lassen Union High School District, Jack Schreder & Associates.

The addition of seven households created by commercial and industrial development will impact Lassen Union High School District with an estimated two (7 x .2) additional students. Based on the per pupil 9-12 modernization cost of \$18,380, the estimated cost to house two students generated from commercial/industrial construction is \$36,760 (2 x \$18,380).

Based on the District's modernization need of \$36,760, generated by students from commercial/industrial construction and the total projected square footage of 10,248, commercial/industrial construction will create a facilities cost of \$3.59 per square foot with the exception of mini storage. However, the statutory Level I fee for commercial/industrial construction is \$0.61 per square foot and the District has a fee sharing arrangement with the elementary school district. The high school district collects 35% of the fee and its feeders collect 65% of the fee. Therefore, the District is justified to collect \$0.21 (35 percent of \$0.61) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category should be collected at a rate of \$0.04 per square foot. The commercial/industrial calculation is included in Table 7.

Table 7:
Facilities Cost per SF from Proposed Commercial/Industrial Construction

Modernization Need		Total Square Footage		Level I Fee
\$36,760	/	10,248	=	\$3.59

Source: Lassen Union High School District, Jack Schreder & Associates, Office of Public School Construction.

Summary

Based on the District's modernization need of \$514,640 generated by students from residential construction and the total projected residential square footage of 204,960, residential construction will create a facilities cost of \$2.51 per square foot. However, the statutory Level I fee for residential construction is \$3.79 per square foot and the District has a fee sharing arrangement with the elementary school district. The high school district collects 35% of the fee and its feeders collect 65% of the fee. Therefore, the District is justified to collect \$1.33 (35 percent of \$3.79) per square foot of residential construction.

Based on the District's modernization need of \$36,760 generated by students from commercial/industrial construction and the total projected square footage of

10,248, commercial/industrial construction will create a facilities cost of \$3.59 per square foot with the exception of mini storage. However, the statutory Level I fee for commercial/industrial construction is \$0.61 per square foot and the District has a fee sharing arrangement with the elementary school district. The high school district collects 35% of the fee and its feeders collect 65% of the fee. Therefore, the District is justified to collect \$0.21 (35 percent of \$0.61) per square foot of commercial/industrial construction with the exception of mini storage. The mini storage category should be collected at a rate of \$0.04 per square foot.

SECTION II: BACKGROUND OF DEVELOPER FEE LEGISLATION

Initially, the allowable developer fee was limited by Government Code Section 65995 to \$1.50 per square foot of covered or enclosed space for residential development and \$.25 per square foot of covered or enclosed space of commercial or industrial development. The Level 1 fee that can be levied is adjusted every two years, according to the inflation rate as listed by the state-wide index for Class B construction set by the State Allocation Board. In January of 2018, the State Allocation Board changed the Level I fee to \$3.79 per square foot of residential construction and \$0.61 per square foot of commercial and industrial construction.

The fees collected are to be used by the school district for the construction or modernization of school facilities and may be used by the district to pay bonds, notes, loans, leases or other installment agreements for temporary as well as permanent facilities.

Assembly Bill 3228 (Chapter 1602/Statutes of 1990) added Government Code Section 66016 requiring districts adopting or increasing any fee to first hold a public 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.
2. The amount of the fee does not exceed the estimated reasonable costs of the school facilities necessitated by the structures as to which the fees are to be collected.
3. In determining the amount of the fees, the school district shall consider the relationship between the proposed increase in the number of employees, if any, the size and specific use of the structure, as well as the cost of construction.

In order to levy developer fees, a study is required to assess the impact of new growth and the ability of the local school district to accommodate that growth. The need for new school construction and modernization must be determined along with the costs involved. The sources of revenue need to be evaluated to determine if the district can fund the new construction and modernization. Finally, a relationship between needs and funding raised by the fee must be quantified.

Assembly Bill 181 (Chapter 1109/Statutes of 1989) which became effective October 2, 1989, was enacted to clarify several areas of developer fee law. Assembly Bill 181 provisions include the following:

1. Exempts residential remodels of less than 500 square feet from fees.
2. Prohibits the use of developer fee revenue for routine maintenance and repair, most asbestos work, and deferred maintenance.
3. Allows the fees to be used to pay for the cost of performing developer fee justification studies.
4. States that fees are to be collected at the time of occupancy, unless the district can justify earlier collection. The fees can be collected at the time the building permit is issued if the district has established a developer fee account and funds have been appropriated for which the district has adopted a proposed construction schedule or plan prior to the issuance of the certificate of occupancy.
5. Clarifies that the establishment or increase of fees is not subject to the California Environmental Quality Act.
6. Clarifies that the impact of commercial and industrial development may be analyzed by categories of development as well as 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.

"Development project" is defined broadly to mean any project undertaken for purposes of development. This would include residential, commercial, or industrial projects.

"Public facilities" is defined to include public improvements, public services, and community amenities.

Section 66001 (a) sets forth the requirements for establishing, increasing or imposing fees. Local agencies are required to do the following:

1. Identify the purpose of the fee.
2. Identify the use to which the fee is to be put.
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.

Section 66001 (c) requires that any fee subject to AB 1600 be deposited in an account established pursuant to Government Code Section 66006. Section 66006 requires that development fees be deposited in a capital facilities account or fund. To avoid any commingling of the fees with other revenues and funds of the local agency, the fees can only be expended for the purpose for which they were collected. Any income earned on the fees should be deposited in the account and expended only for the purposes for which the fee was collected.

Section 66001 (d) as amended by Senate Bill 1693 (Monteith/Statutes of 1996, Chapter 569), requires that for the fifth year following the first deposit into a developer fee fund, and for every five years thereafter, a school district must make certain findings as to such funds. These findings are required regardless of whether the funds are committed or uncommitted. Formerly only remaining unexpended or uncommitted fees were subject to the mandatory findings and potential refund process. Under this 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.
2. A benefit nexus must be established. A benefit nexus is established if the fee is used to construct or modernize school facilities benefiting students to be generated from development projects.
3. A burden nexus must be established. A burden nexus is established if a project, by the generation of students, creates a need for additional facilities or a need to modernize existing facilities.

SECTION IV: REVENUE SOURCES FOR FUNDING FACILITIES

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

State Sources

State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August of 1998. The new program, entitled the School Facility Program, provides funding under a "grant" program once a school district establishes eligibility. Funding required from districts will be a 50/50 match for construction projects and 60/40 (District/State) match for modernization projects. Districts may levy the current statutory developer fee as long as a district can justify collecting that fee. If a district desires to collect more than the statutory fee (Level 2 or Level 3), that district must meet certain requirements outlined in the law, as well as conduct a needs assessment to enable a higher fee to be calculated.

Local Sources

Mello-Roos Community Facilities Act

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

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.

Developer Fees

The District's developer fees are dedicated to the current needs related directly to modernization and new construction 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 acquisition of real property, construction of facilities, financing research, or any other non-instructional purpose."

SECTION V: ESTABLISHING THE COST, BENEFIT AND BURDEN NEXUS

In accordance with Government Code Section 66001, the District has established a cost nexus and identified the purpose of the fee, established a benefit nexus, and a burden nexus:

Establishment of a Cost Nexus & Identify Purpose of the Fee

The Lassen Union High School District chooses to construct and/or modernize facilities for the additional students created by development in the district and the cost for providing new and/or modernized facilities exceeds the amount of developer fees to be collected. It is clear that when educational facilities are provided for students generated by new residential, commercial and industrial development that the cost of new facilities exceeds developer fee generation, thereby establishing a cost nexus.

Establishment of a Benefit Nexus

Students generated by new residential, commercial and industrial development will be attending district schools. Housing District students in new and/or modernized facilities will directly benefit those students from the new development projects upon which the fee is imposed, therefore, a benefit nexus is established.

Establishment of a Burden Nexus

The generation of new students by development will create a need for additional and/or modernized school facilities. The District must carry the burden of constructing new facilities required by the students generated by future developments and the need for facilities will be, in part, satisfied by the levying of developer fees, therefore, a burden nexus is established.

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 consider possible funding alternatives such as the State School Facility Program.

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 construction and/or modernization of school facilities. The District will provide for the construction 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 Lassen Union High School District levy residential development fees and commercial/industrial fees up to the statutory fee for which justification has been determined.

SOURCES

California Basic Educational Data System. California State Department of Education. October Enrollments, 2014-2016.

California State Department of Education. California Public School Directory, 2010.

Collard, Gary. Lead Housing Analyst for Southern California. California State Department of Housing and Community Development.

McCabe, Bill. Superintendent, Lassen Union High School District.

Mumpur, Kelly. Assistant Planner, Lassen County Department of Planning.

Office of Public School Construction. Leroy F. Greene School Facilities Act, 1998.

San Diego Association of Governments. Traffic Generators, January 1990.

Schreder, Jack and Associates. Original research.

Shields, Cori. Chief Business Official, Lassen Union High School District.

APPENDIX A

CONSTRUCTION COSTS

High School Facility Construction Costs			
I. Allowable Building Area			
A. Total Student Capacity			
B. Building Area			
1500 students @ 92sf/student		138,000	
Speech/Resource Specialist		4,500	
Total		142,500	
II. Site Requirements			
A. Purchase Price of Property (40 Acres)			
Cost per Acre		\$0	\$0
B. Appraisals		\$0	
C. Costs Incurred in Escrow		\$0	
D. Surveys		\$0	
E. Other Costs, Geo. and Soils Reports		\$0	
Total-Acquisition of Site		\$0	
III. Plans			
A. Architect's Fee for Plans		\$2,687,113	
B. OSA Plans Check Fee		\$252,820	
C. School Planning, Plans Check Fee		\$9,618	
D. Preliminary Tests		\$15,573	
E. Other Costs, Energy Cons. & Advertising		\$142,211	
		\$3,107,335	
IV. Construction Requirements			
A. Utility Services		\$1,297,805	
B. Off-site Development		\$1,327,303	
C. Site Development, Service		\$4,276,861	
D. Site Development, General		\$3,215,021	
E. New Construction		\$43,179,496	
F. Unconventional Energy Source		\$2,324,325	
Total Construction		\$55,620,811	
Total Items II, III and IV		\$58,728,146	
Contingency 10%		\$5,872,815	
Construction Tests		\$473,350	
Inspection		\$256,483	
TOTAL ESTIMATED PROJECT COSTS		\$65,330,794	
ESTIMATED COST PER STUDENT		\$43,554	
*Source: California Department of Education, Jack Schreder & Associates.			

APPENDIX B

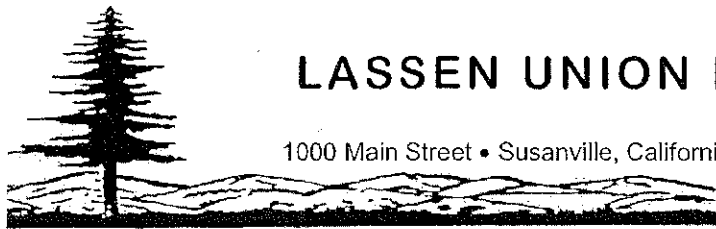
PER PUPIL GRANT AMOUNTS

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS
State Allocation Board Meeting, January 24, 2018

Grant Amount Adjustments

		Regulation Section	Current Adjusted Grant Per Pupil Effective 1-1-17	Current Adjusted Grant Per Pupil Effective 1-1-18
New Construction	Elementary	1859.71	\$11,104	\$11,567
	Middle	1859.71	\$11,744	\$12,234
	High	1859.71	\$14,944	\$15,567
	Special Day Class – Severe	1859.71.1	\$31,202	\$32,503
	Special Day Class – Non-Severe	1859.71.1	\$20,867	\$21,737
	Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$13	\$14
	Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$18	\$19
	Automatic Fire Detection/Alarm System – High	1859.71.2	\$30	\$31
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$56	\$58
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$39	\$41
	Automatic Sprinkler System – Elementary	1859.71.2	\$186	\$194
	Automatic Sprinkler System – Middle	1859.71.2	\$221	\$230
	Automatic Sprinkler System – High	1859.71.2	\$230	\$240
	Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$588	\$613
	Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$395	\$411
Modernization	Elementary	1859.78	\$4,228	\$4,404
	Middle	1859.78	\$4,472	\$4,658
	High	1859.78	\$5,855	\$6,099
	Special Day Class - Severe	1859.78.3	\$13,475	\$14,037
	Special Day Class – Non-Severe	1859.78.3	\$9,015	\$9,391
	State Special School – Severe	1859.78	\$22,460	\$23,397
	Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – High	1859.78.4	\$137	\$143
	Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$378	\$394
	Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$253	\$264
	Over 50 Years Old – Elementary	1859.78.6	\$5,874	\$6,119
	Over 50 Years Old – Middle	1859.78.6	\$6,212	\$6,471
	Over 50 Years Old – High	1859.78.6	\$8,132	\$8,471
	Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$18,721	\$19,502
	Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$12,519	\$13,041
	Over 50 Years Old – State Special School – Severe	1859.78.6	\$31,201	\$32,502



LASSEN UNION HIGH SCHOOL DISTRICT

1000 Main Street • Susanville, California 96130-4498 • (530) 257-5134 • Fax (530) 251-0473

Bill McCabe, Superintendent

RESOLUTION 1718.0410.1

RESOLUTION NO. 1718.0410.1 (April 10, 2018, Regular Meeting)

**A RESOLUTION OF THE GOVERNING BOARD OF THE
LASSEN UNION HIGH SCHOOL DISTRICT
INCREASING SCHOOL FACILITIES FEES AS AUTHORIZED BY
GOVERNMENT CODE SECTION 65995 (b) 3**

WHEREAS, Statute AB 2926 (Chapter 887/Statutes of 1986) authorizes the governing board of any school district to levy a fee, charge, dedication or other form of requirement against any development project for the reconstruction of school facilities; and,

WHEREAS, Government Code Section 65995 establishes a maximum amount of fee that may be charged against such development projects and authorizes the maximum amount set forth in said section to be adjusted for inflation every two years as set forth in the state-wide cost index for Class B construction as determined by the State Allocation Board at its January meeting; and,

WHEREAS, at its January 24, 2018, meeting, the State Allocation Board approved the maximum fee authorized by Education Code Section 17620 to \$3.79 per square foot of residential construction described in Government Code Section 65995(b)(1) and \$0.61 per square foot against commercial and industrial construction described in Government Code Section 65995(b)(2); and,

WHEREAS, the purpose of this Resolution is to approve and adopt fees on residential projects in the amount of up to \$2.51 per square foot as authorized by Education Code Section 17620; and,

WHEREAS, the purpose of this Resolution is to approve and adopt fees on commercial and industrial development projects in the amount of \$0.61 per square foot as described in Government Code Section 65995(b)(2). The mini-storage category of commercial/industrial justification has less impact than the statutory \$0.61 per square foot commercial/industrial justification and should be collected at the justified rate of \$0.04 per square foot.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Governing Board of the Lassen Union High School District as follows:

1. Procedure. This Board hereby finds that prior to the adoption of this Resolution, the Board conducted a public hearing at which oral and written presentations were made, as part of the Board's regularly scheduled April 10th, 2018, meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, has been published twice in a newspaper in accordance with Government Code Section 66016, and a notice, including a statement that the data required by Government Code Section 66016 was available, was mailed at least 14 days prior to the meeting to any interested party who had filed a written request with the District for mailed notice of the meeting on new fees or service charges within the period specified by law. Additionally, at



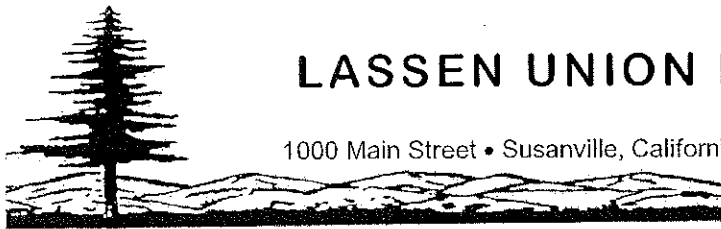
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Bill McCabe, Superintendent

least 10 days prior to the meeting, the District made available to the public, data indicating the amount of the cost, or estimated cost, required to provide the service for which the fee or service charge is to be adjusted pursuant to this Resolution, and the revenue sources anticipated to provide this service. By way of such public meeting, the Board received oral and written presentations by District staff which are summarized and contained in the District's Developer Fee Implementation Study dated February 13, 2018, (hereinafter referred to as the "Plan") and which formed the basis for the action taken pursuant to this Resolution.

2. Findings. The Board has reviewed the Plan as it relates to proposed and potential development, the resulting school facilities needs, the cost thereof, and the available sources of revenue including the fees provided by this Resolution, and based thereon and upon all other written and oral presentations to the Board, hereby makes the following findings:
 - A. Additional development projects within the District, whether new residential construction or residential reconstruction involving increases in assessable area greater than 500 square feet, or new commercial or industrial construction will increase the need for reconstruction of school facilities.
 - B. Without reconstruction of present school facilities, any further residential development projects or commercial or industrial development projects within the District will result in a significant decrease in the quality of education presently offered by the District;
 - C. The fees proposed in the Plan and the fees implemented pursuant to this Resolution are for the purposes of providing adequate school facilities to maintain the quality of education offered by the District;
 - D. The fees proposed in the Plan and implemented pursuant to this Resolution will be used for the reconstruction of school facilities as identified in the Plan;
 - E. The uses of the fees proposed in the Plan and implemented pursuant to this Resolution are reasonably related to the types of development projects on which the fees are imposed;
 - F. The fees proposed in the Plan and implemented pursuant to this Resolution bear a reasonable relationship to the need for reconstructed school facilities created by the types of development projects on which the fees are imposed;
 - G. The fees proposed in the Plan and implemented pursuant to this Resolution do not exceed the estimated amount required to provide funding for the reconstruction of school facilities for which the fees are levied; and in making this finding, the Board declares that it has considered the availability of revenue sources anticipated to provide such facilities, including general fund revenues;

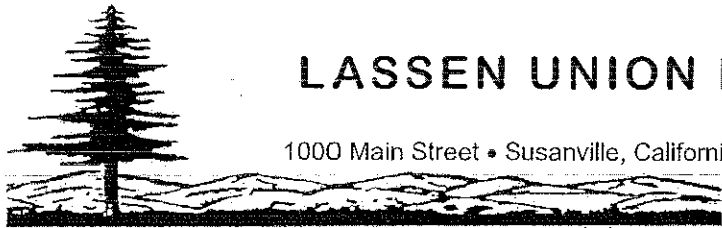


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Bill McCabe, Superintendent

- H. The fees imposed on commercial or industrial development bear a reasonable relationship and are limited to the needs of the community for schools and are reasonably related and limited to the need for reconstructed school facilities caused by the development;
 - I. The fees will be collected for school facilities for which an account has been established and funds appropriated and for which the district has adopted a reconstruction schedule and/or to reimburse the District for expenditures previously made.
3. Fee. Based upon the foregoing findings, the Board hereby increases the previously levied fee to the amount of up to \$2.51 per square foot for assessable space for new residential construction and for residential reconstruction to the extent of the resulting increase in assessable areas; and to the amount of up to \$0.61 per square foot for new commercial or industrial construction. The mini-storage category of commercial/industrial justification has less impact than the statutory \$0.61 per square foot commercial/industrial justification and should be collected at the justified rate of \$0.04 per square foot.
4. Fee Adjustments and Limitation. The fees adjusted herewith shall be subject to the following:
- A. The amount of the District's fees as authorized by Education Code Section 17620 shall be reviewed every two years to determine if a fee increase according to the adjustment for inflation set forth in the statewide cost index for Class B construction as determined by the State Allocation Board is justified.
 - B. Any development project for which a final map was approved and construction had commenced on or before September 1, 1986, is subject only to the fee, charge, dedication or other form of requirement in existence on that date and applicable to the project.
 - C. The term "development project" as used herein is as defined by Section 65928 of the Government Code.
5. Additional Mitigation Methods. The policies set forth in this Resolution are not exclusive and the Board reserves the authority to undertake other or additional methods to finance school facilities including but not limited to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311, et seq.) and such other funding mechanisms. This Board reserves the authority to substitute the dedication of land or other property or other form of requirement in lieu of the fees levied by way of this Resolution at its discretion, so long as the reasonable value of land to be dedicated does not exceed the maximum fee amounts contained herein or modified pursuant hereto.
6. Implementation. For residential, commercial or industrial projects within the District, the Superintendent, or the Superintendent's designee, is authorized to issue Certificates of Compliance upon the payment of any fee levied under the authority of this Resolution.



LASSEN UNION HIGH SCHOOL DISTRICT

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Bill McCabe, Superintendent

7. California Environmental Quality Act. The Board hereby finds that the implementation of Developer Fees is exempt from the California Environmental Quality Act (CEQA).
8. Commencement Date. The effective date of this Resolution shall be June 11th, 2018 which is 60 days following its adoption by the Board.
9. Notification of Local Agencies. The Secretary of the Board is hereby directed to forward copies of this Resolution and a Map of the District to the Planning Commission and Board of Supervisors of Lassen County and to the Planning Commission and City Council of the City of Susanville.
10. Severability. If any portion of this Resolution is found by a Court of competent jurisdiction to be invalid, such finding shall not affect the validity of the remaining portions of this Resolution. The Board hereby declares its intent to adopt this Resolution irrespective of the fact that one or more of its provisions may be declared invalid subsequent hereto.

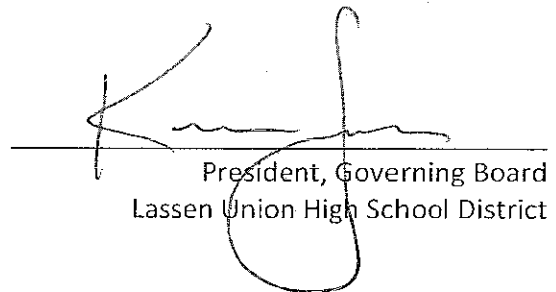
APPROVED, PASSED and ADOPTED by the Governing Board of the Lassen Union High School District this 10th day of April, 2018, by the following vote:

AYES: 5

NOES: 0


ABSENT: 0

ABSTAIN: 0



President, Governing Board
Lassen Union High School District

ATTEST:



Secretary, Governing Board
Lassen Union High School District



LASSEN UNION HIGH SCHOOL DISTRICT

1000 Main Street • Susanville, California 96130-4498 • (530) 257-5134 • Fax (530) 251-0473

COUNTY OF LASSEN

Bill McCabe, Superintendent

APR 13 2018

April 11th, 2018

Board of Supervisors

Attached is a copy of the Developer Fee Justification Study and the accompanying Board Resolution to increase Developer Fees for Lassen Union High School District. The increase will take effect June 11th, 2018. The justified and approved fee is 35% of the State Allocation Board approved maximum fees, \$3.79 per square foot residential and \$0.61 per square foot commercial. Mini-storage is collected at \$0.04 per square foot.

Please contact me if you have any questions or need further information.

Sincerely,



Cori Shields, CBO

Lassen Union High School District
1000 Main Street
Susanville, CA 96130
(530)251-1194

BOARD OF TRUSTEES

Kevin Jones, President ♦ Ken Theobald, Vice President ♦ Michelle Zubillaga, Clerk
Skip Jones, Trustee ♦ Margie Teeter, Trustee