



Developer Fee Justification Study

Wheatland School District

March 14, 2024

Prepared for:
Wheatland School District
111 Main Street
Wheatland, CA 95692
530.633.3130
www.wheatlandsd.com

Prepared by:
King Consulting
2901 35th St.
Sacramento, CA 95817
916.706.3538
www.kinginc.com

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
DEVELOPER FEES: BACKGROUND	2
LEGISLATIVE HISTORY	3
AB 2926	3
AB 1600	4
AB 181	4
AB 602	5
DEVELOPER FEE JUSTIFICATION: RESIDENTIAL DEVELOPMENT	6
Wheatland School District	6
Projected Residential Development	7
Student Generation Rates.....	7
Projected School Facilities Needs	7
New Construction Cost vs. Modernization	8
DEVELOPER FEE JUSTIFICATION: COMMERCIAL/INDUSTRIAL PROJECTS	11
Commercial/Industrial Development Fee Calculations	11
SUMMARY AND FINDINGS.....	15
ADMINISTRATION OF THE FEES	16
Administrative Requirements	16
Reporting Requirements.....	16
Government Code Section 66001 (a) (1): Purpose of Fees.....	16
Government Code Section 66001 (a) (2): Use of Fees.....	16
Government Code Section 66001 (a) (3): Reasonable Relationship between the Fee’s Use and the Type of Development Project on which the Fee is Imposed	17
Government Code Section 66001 (a) (4): Reasonable Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed	17
Government Code Section 66001 (b): Reasonable Relationship Between the Amount of the Fee and the Cost of the Public Facility.....	18
REVENUE SOURCES/FUNDING FACILITIES	18
State School Facility Program	18
General Obligation Bonds.....	18
Parcel Taxes	18
Mello-Roos Community Facilities Districts	18

RECOMMENDATIONS 19

SOURCES 20

LIST OF TABLES

Table 1. Student Generation Rates and Students Generated.....	7
Table 2. Housing Units and Calculation of Weighted Square Footage	8
Table 3. Cost per Student for New Construction	9
Table 4. District Total Modernization Need.....	9
Table 5. District Modernization Facilities Cost per Square Foot.....	9
Table 6. Commercial/Industrial Employee Generation Factors.....	12
Table 7. Commercial/Industrial Base Cost per Square Foot (Except Mini-Storage)	12
Table 8. Mini-Storage Base Cost per Square Foot	13
Table 9. Commercial/Industrial Residential Fee Offset (Except Mini-Storage)	13
Table 10. Mini-Storage Residential Fee Offset	13
Table 11. Commercial/Industrial Final Costs per Square Foot.....	14

EXECUTIVE SUMMARY

The Wheatland School District (“WSD” or the “District”) serves the City of Wheatland, California, and some surrounding areas of unincorporated Yuba County. The District serves a total of 1,429 TK-8th grade students at one elementary school serving TK-3, one elementary school serving TK-5, one TK-5 charter elementary school and one middle school, which serves grades 4-8th.

In January 2024, the State Allocation Board’s biennial inflation adjustment changed the fee to \$5.17 per square foot for residential construction and \$0.84 per square foot for commercial/industrial construction. The District splits its collected developer fees with the Wheatland Union High School District, with WSD retaining 60% of the collected fee. The following Developer Fee Justification Study demonstrates the District is justified in collecting the statutory Level I residential and statutory commercial/industrial fees on future development based on the following analysis:

- The District’s total enrollment at its school sites in 2023-24 was 1,429 students;
- The City of Wheatland and Yuba County planning departments collectively estimate a total of 4,959 new residential units to be constructed over the next twenty years. These units will be a mix of single-family detached (3,755 units), single-family attached (200 units) and multi-family/affordable (1,004 units);
- It is estimated that the average square footage of new homes will be 1,760 square feet;
- Student generation rates, based on a weighted average of surveys of recently constructed units of each type within the District, are 0.280 TK-8th grade students per unit;
- The 4,959 new units are projected to generate 1,388 TK-8th grade students for the District to house;
- Some District facilities are over 25 years old and in need of modernization to continue housing existing students and students generated by new development at the existing level of service over the next 20 years;
- 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% of the cost to construct new facilities;
 - The total estimated cost to reconstruct and/or modernize facilities for the students generated from new development is \$56,259,804;
- Based on the cost of reconstructed school facilities, the modernization impact equates to \$6.45 per square foot of residential development;
- All categories of commercial/industrial development except for mini-storage create a modernization cost to the District of \$1.19 per square foot;
- Mini-storage construction creates a cost of \$0.02 per square foot;
- The District is justified to adopt its 60% share of the statutory Level I Developer Fees, currently \$3.10 per square foot for residential construction and \$0.50 per square foot for commercial/industrial construction, except for mini-storage which should be charged at \$0.02 per square foot.

DEVELOPER FEES: BACKGROUND

School districts are continually evaluating the condition of their capital facilities and identifying whether construction of new facilities and/or improvements to existing facilities are necessary to sufficiently house their student body. Districts may use various sources of funds for these capital facility projects, including Developer Fees, State program funds, redevelopment funds, certificates of participation, sale of capital assets, and mitigation measures. 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, et seq. which states in part "...the governing board of any school district is authorized to levy a fee, charge, dedication or other requirement against any construction within the boundaries of the district for the purpose of funding for the construction or reconstruction of school facilities."

School districts were provided a mechanism to assist in funding with the adoption of the Mitigation Fee Act (Government Code Section 66000 et seq.). This act governs the imposition of fees by a district as a condition of approval of a development project. In order to impose such a fee, a reasonable connection must exist between the new development and the construction and/or improvement of school facilities for which the fees are to be assessed.

Level I fees (also known as statutory fees) are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. With the passage of SB50 in 1998, a cap was placed on the amount that could be charged under the Level I fee calculation. The law allowed for adjustments of the cap as noted in Government Code Section 65995(b)(3), which specifies in part that "...fees shall be increased every two years, according to the adjustment for inflation set forth in the statewide cost index for Class B Construction, as determined by the State Allocation Board, which increase shall be effective as of the date of that meeting."

Level II developer fees are outlined in Government Code Section 65995.5 and allow a school district to impose a higher fee on residential construction only if certain conditions can be met and a study conducted to provide justification for the higher residential fee per square foot.

As of January 2024, Government Code Section 65995 authorizes school districts to collect Developer Fees on future development of no more than \$5.17 per square foot for residential construction and \$0.84 for commercial/industrial construction (Level I fees).

Pursuant to Government Code Section 66016.5 the District has prepared and will adopt this impact fee nexus study ("Study") supporting the increase in the District's existing Developer Fees by reviewing the assumptions supporting the original fee and the amount of fees collected in prior years and justifying the increase in those fees through valid methods of calculation. In making the findings required in Government Code Section 66001, as done in the final pages of this Study, the District demonstrates its compliance with Section 66016.5(a)(3).

The Study justifies the applicable fee increase through detailed calculations of the appropriate dollar amount proportional to the square footage of anticipated residential and commercial/industrial development within the District, pursuant to Government Code section 66015(5)(A), establishing the

presumption that a valid method has been used to establish a reasonable relationship between the fee charged and the burden posed by the development.

Specifically, this Study has been prepared for the purpose of identifying the impact of projected future development on the school facilities of the District, and determining the extent to which a nexus exists between the impact of said developments and the need for school facilities and the cost of school facilities from said developments. This Study also considers the ability of the District's current facilities to accommodate the impact of demand from projected new development and seeks to identify the actual costs associated with meeting the increased facilities needs that result from new residential and commercial/industrial development.

Recent legislation expounded the parameters of attached and detached living areas which are attached or detached from the primary single-family or multifamily dwelling unit (generally referred to as Accessory Dwelling Units (ADUs), and Junior Accessory Dwelling Units (JADUs)). Whether these types of dwelling units are called casitas, granny flats, in-law units, accessory units, or converted living space, these constructed areas are intended to provide an area for living and sleeping – whether the facilities and provisions for living, sleeping, eating, cooking, and sanitation are within that living space or within (or adjacent to) the attached single-family or multifamily dwelling unit. The District recognizes that students are generated from these types of living areas.

The content of this Study will show that the Wheatland School District is justified in levying the statutory maximum Level I Developer Fee.

The Wheatland School District splits collected developer fees with the Wheatland Union High School District, retaining 60% of collected fees. Therefore, the maximum statutory fees WDS can collect are residential fees at a rate of \$3.10 per square foot and commercial/industrial fees at a rate of \$0.50 per square foot.

LEGISLATIVE HISTORY

State legislation, specifically AB 2926 and AB 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation and history are summarized below:

AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for commercial/industrial development must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development."
3. School Fees for 1987 were limited to \$1.50 per square foot on new residential construction and \$0.25 per square foot for new commercial/industrial construction.

4. Every year, School Fees are subject to annual increases based on the Statewide cost index for Class B construction, as determined by the SAB at its January meeting (This provision was changed to every other year by AB181).

The provisions of AB 2926 have since been expanded and revised by AB 1600.

AB 1600

AB 1600, which created Sections 66000 et seq. of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of *Shapell Industries vs. Milpitas Unified School District*.) The Study will provide information necessary to establish whether such a nexus exists between School Fees and residential development.

AB 181

AB 181, enacted by the State in 1989, made significant changes in several State Codes, including Sections 53080 et seq. of the Government Code which was re-codified as Sections 17620 et seq. of the Education Code on January 1, 1998. Changes in Section 53080 included additional requirements and procedures for imposing School Fees and other conditions on new development. Specifically, AB 181 imposes more stringent nexus requirements on school districts that wish to levy School Fees on commercial/industrial development ("CID"), as follows:

1. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District".
2. Only that portion of the School Fee justified by the "nexus findings" contained in this study may be levied. Nexus findings must be made on an individual project basis or on the basis of categories of CID and must "utilize employee generation estimates that are based on commercial/industrial factors within the school district."
3. Categories to be evaluated may include, but are not limited to, office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse uses.

4. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.
5. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the governing board of a school district. Grounds for an appeal must include, but are not limited to, improper project classification by commercial/industrial category, or the application of improper or inaccurate employee or student generation factors to the project.

In summary, AB 181 establishes additional requirements which must be satisfied by school districts prior to their levying School Fees on CID.

AB 602

Effective January 1, 2022, AB 602 amended certain standards and procedures relevant to “impact fee nexus studies” prepared by local agencies. As of the current date, school impact fee justification studies are included within the requirements of AB 602. AB 602 added Government Code section 66016.5 to the code to require, among other items, that “when applicable, the nexus study “shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.”

“Level of service” is not a commonly applied measure of the suitability or condition of school programs and buildings in California. Like all school districts, the District follows California state standards related to public education and is mandated to serve all children that live within their boundaries and choose to attend, regardless of age or circumstance. The District is charged with ensuring that sound and safe facilities are ready and available to accommodate all children when needed and often without advance notice.

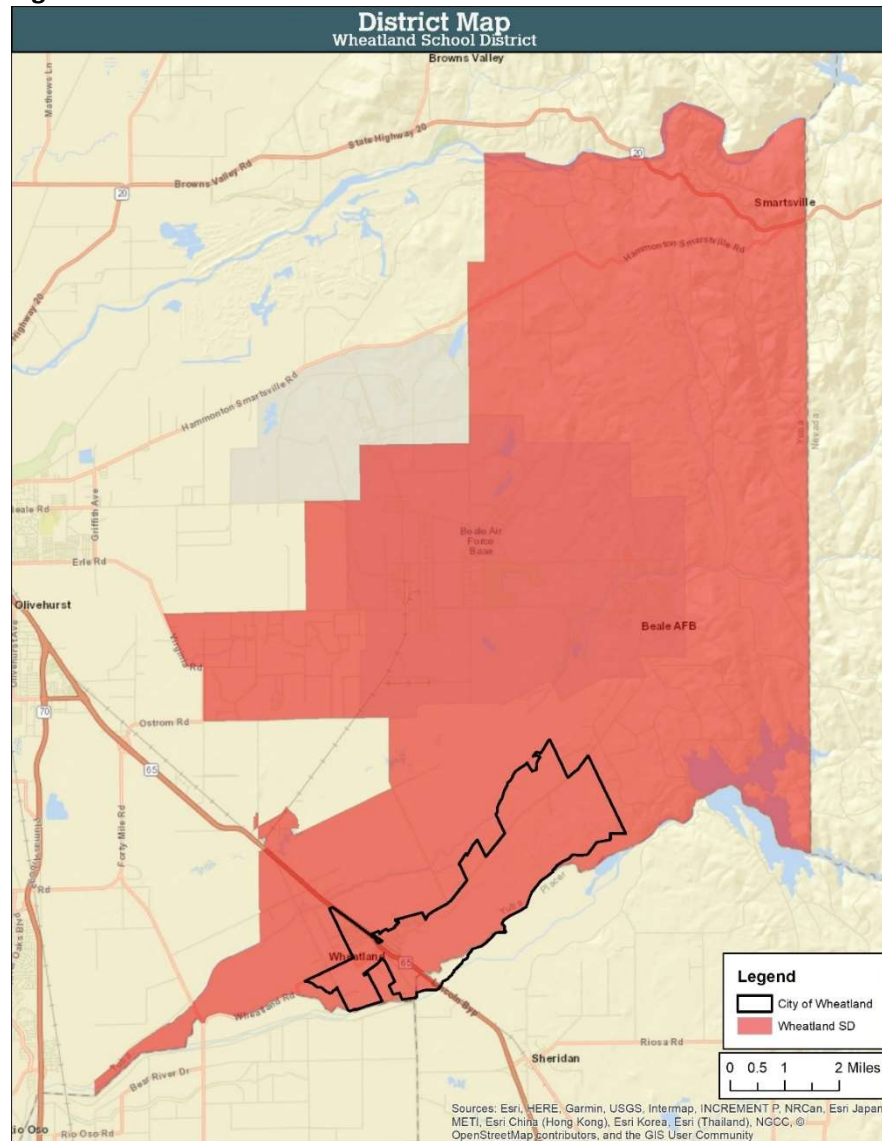
State-imposed minimum requirements for school facilities are contained in Title 5 of the California Code of Regulations. The information contained in this Study is based upon all of the foregoing concepts and standards, as further informed by local school board policy, preferences, and educational specifications for school design, which evolve over time. The information contained in this Study is based on the District’s assessment of existing facility capacity (i.e., its existing levels of service) and the degree to which residential and commercial development increases need and demand for new, expanded or refurbished school facilities (i.e., new or improved levels of service) that meet state and local educational specifications. Thus, the analysis provided in this study addresses the “level of service” analysis required by AB 602. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District".

DEVELOPER FEE JUSTIFICATION: RESIDENTIAL DEVELOPMENT

Wheatland School District

The District serves the City of Wheatland, California, and some surrounding areas of unincorporated Yuba County. The City of Wheatland is valued by its residents for its small-town atmosphere and rural setting. Located in Northern California's Central Valley along State Route 65 in Yuba County, Wheatland is approximately one mile north of the Bear River and the tri-county boundary of Sutter, Placer, and Yuba Counties and 40 miles north of Sacramento. Beale Air Force Base is located eight miles to the northeast, and many students from the base's military families attend Wheatland School District schools. The District serves TK-8th grade students and has one elementary school serving TK-3, one elementary school serving TK-5, one TK-5 charter elementary school and one middle school, which serves grades 4-8th. Figure 1 provides the District boundary and the areas of each of these jurisdictions served by the District.

Figure 1. Wheatland School District Boundaries



Projected Residential Development

Residential development generates students for the District to house in facilities, new and/or renovated. Therefore, it is imperative to research residential development to project growth and associated student generation within the District. According to the City of Wheatland, 1,255 single-family detached units and 304 multi-family/affordable units may be constructed within the District over the next 20 years. According to the Yuba County, 2,500 single-family detached units, 200 single-family attached units and 700 multi-family/affordable units may be constructed within the District over the next 20 years.

Student Generation Rates

The average number of students generated by each housing unit provides a student generation rate or “yield factor”. The number of students generated from new housing units within the District’s boundaries was assessed for the District by surveying housing units constructed within the District boundaries in comparison with the 2023-24 WSD student list to see how many students, by grade level, are generated by a new home. King Consulting surveyed 172 single-family detached homes within WSD, which collectively generated 36 students, for a TK-8th grade student generation rate of 0.210. 18 single-family attached units were also surveyed, which generated 20 TK-8th grade students for a student generation rate of 1.111. 112 multi-family/affordable units were also surveyed, which generated 42 TK-8th grade students for a multi-family/affordable student generation rate of 0.375.

By using the numbers of each type of unit projected to be built in the District over the next 20 years, a weighted average is determined for their student generation rate. The number of students expected to be generated by each type of residential development are totaled and divided by the total number of all residential units to obtain this weighted average. This calculation is shown in Table 1. This weighted student generation rate can then be applied to the projected housing units to assist in determining the new students entering the District.

Table 1. Student Generation Rates and Students Generated

Development Type	Projected Number of Units	Student Generation Rate	Expected Students Generated	Weighted Student Generation Rate
Single-Family Detached	3,755	0.210	789	
Single-Family Attached	200	1.111	222	
Multi-Family/Affordable	1,004	0.375	377	
Total	4,959		1,388	0.280

Projected School Facilities Needs

As new students are generated by development, the need to increase the useful life of school facilities becomes more apparent. Only with regular modernization can the District maintain facilities to their current quality to ensure they can still be effectively used to house students over the next 20 years. Without the ongoing modernization of its existing facilities to maintain the existing level of service, some WDS school facilities may not be available over the next 20 years to house students in the future. But for

the students generated by new residential development, the District would not need to maintain as many facilities at the existing level of service.

The majority of District facilities were constructed more than 25 years ago and are incompatible with the evolving pace of educational technology, changing school security standards, or otherwise aged and in disrepair. The District needs to perform significant modernization and reconstruction at all school levels to adequately serve students in the future and bring these facilities up to an adopted level of service as identified in Government Code Section 66001(g). Only the proportion of reconstruction costs attributable to seats of existing capacity that will be used to accommodate enrollment from future enrollment are used to calculate the applicable fees.

The Wheatland School District currently has \$2,945,068 in available capital facility funds, all of which is obligated for planned facilities projects for current facilities and students. In addition, the District is undertaking work to replace portable classrooms with permanent facilities as it is feasible. Providing these up-to-date classrooms and learning technology is an essential component of preparing students to succeed in a competitive economy and of being able to maintain the equivalent existing level of service for the next 20 years.

To calculate the modernization needs generated by students from new development, the District must analyze the number of new units to be constructed, the square footage of those units, and, utilizing the student generation rate, the number of students to be generated by those developments. Once this analysis is completed, the per pupil cost to house those students can be calculated based on the cost to modernize facilities. The City of Wheatland and Yuba County provided average square footage for each unit type. For each type of residential development, the average square footage is calculated and then multiplied by the number of units expected to be constructed to determine the total square footage of all expected residential development. This provides a total square footage, which is divided by the total number of units to produce the average square footage for all units. These calculations are shown in Table 2.

Table 2. Housing Units and Calculation of Weighted Square Footage

Residential Type	Total Projected Housing Units	Average Square Footage	Total Projected Square Footage	Weighted Average Square Footage
Single-Family Detached	3,755	2,000	7,510,000	
Single-Family Attached	200	1,200	240,000	
Multi-Family/Affordable	1,004	972.749	976,640	
Total	4,959		8,726,640	1,760

New Construction Cost vs. Modernization

The cost per student to construct new school facilities within the Wheatland School District is \$98,620 as shown in Table 3. Construction costs were provided by Van Pelt Construction Services based on records of past and present projects in recent new construction school projects in the Northern California region

(Appendix A). The cost to modernize facilities is 41.1% of new construction costs. This percentage is based on the comparison of the per pupil grant for the State School Facility Program modernization program and the State per pupil new construction grant. In addition, the State program provides additional grants for American with Disabilities Act (ADA) and Fire, Life and Safety (FLS). When analyzing the cost to construct new facilities, the State provides \$15,770 per elementary pupil and \$6,005 to modernize facilities. For middle school pupils, the State provides \$16,679 for new construction and \$6,350 for modernization. The weighted average of the modernization grants is 38.1% of the new construction grants. However, this 38.1% is a base grant; once ADA and FLS are added into the grant, the percentage becomes 41.1% of the cost of new construction. Appendix B details the School Facility Program per pupil grant amounts.

Table 3. Cost per Student for New Construction

Grade Level	New Construction Cost per Student
TK-5	\$92,646
6-8	\$112,559
Weighted Average $((\\$92,646*7)+(\\$112,559*3))/10$	\$98,620

Since the new construction cost per student is \$98,620, the modernization cost per student for the Wheatland School District is 41.1% of this value, or \$40,533.

This modernization cost per student is multiplied by the total students generated from Table 1 to determine the District’s total modernization need (Table 4). Dividing the total modernization need by the total projected square footage in Table 2 provides the modernization facilities cost per square foot (Table 5).

Table 4. District Total Modernization Need

Modernization Cost per Student	Total Students Generated	Total Modernization Need
\$40,533	1,388	\$56,259,804

Table 5. District Modernization Facilities Cost per Square Foot

Total Modernization Need	Total Projected Square Footage	Facilities Cost per Square Foot
\$56,259,804	8,726,840	\$6.45

The Wheatland School District is justified in collecting residential developer fees at a rate of \$6.45 which exceeds 60% of the current statutory Level I fee of \$3.10 (60% of \$5.17). Therefore, the District is justified

to collect its 60% share of the full amount of the statutory fee per square foot of new residential construction, currently \$3.10.

DEVELOPER FEE JUSTIFICATION: COMMERCIAL/INDUSTRIAL PROJECTS

California Assembly Bill 181 provides that a district “must determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the District. For the purposes of making this determination, the 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”. However, Assembly Bill 530 modified the requirements of AB 181 by allowing the use of a set of statewide employee generation factors. These factors are identified in the San Diego Association of Governments report, “San Diego Traffic Generators”. This study has become the standard in the industry for the calculation of the commercial/industrial fees.

Commercial/Industrial Development Fee Calculations

The construction of commercial/industrial buildings within a community generates new employees and, therefore, new residents for a school district. The link between creating new jobs and student enrollment has been acknowledged by the State Allocation Board and in statute. The Legislature has also determined that if there is more impact than can be mitigated by residential fees, and some of this impact is caused by commercial/industrial development, then commercial/industrial development can also be charged fees. As demonstrated, the District is justified to collect a higher residential fee than the current statutory level.

To determine the impact of commercial/industrial development, several factors must be analyzed to calculate the modernization cost per square foot of this development. Assembly Bill 530 allows for the use of state-wide employee generation factors, specifically those derived from a report entitled San Diego Traffic Generators published by the San Diego Association of Governments in 1990. This report demonstrates the number of employees generated per square foot of commercial/industrial development, by category. Table 6 displays these categories and the number of employees generated for each square foot of space. An average employees/square foot value is then determined for the District based on these categories.

Table 6. Commercial/Industrial Employee Generation Factors

Development Category	Employees/Square Foot
Agriculture	0.00031
Banks	0.00282
Commercial Offices	0.00478
Community Shopping Centers	0.00109
Corporate Offices	0.00268
Industrial Parks	0.00168
Industrial/Business Parks	0.00221
Lodging	0.00155
Medical Offices	0.00427
Neighborhood Shopping Centers	0.00362
Scientific R&D	0.00304
Average	0.00255

Additional data is used to determine the base school facility impact incurred to the District by commercial/industrial development. As shown in Table 7, the calculations also consider the percent of employees in the District who also live in the District, the number of households per employee, the students generated per household, and the modernization cost for each student. Data for percent of employees living in the District and households per employee are sourced from The United States Census Bureau’s 2022 American Community Survey. The average students generated per household was previously shown in Table 1, while the modernization cost per student was shown in Table 4.

Table 7. Commercial/Industrial Base Cost per Square Foot (Except Mini-Storage)

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Modernization Cost per Student	Commercial/Industrial Cost per Square Foot
0.00255	11.7	0.677	0.280	\$40,533	\$2.29

It is important to note the mini-storage category of commercial development as an exception to the rates in Table 6. This type of development has a much lower impact than all other categories of commercial/industrial development, with only 0.00006 employees generated per square foot. Table 8 demonstrates the base cost per square foot for mini-storage development only.

Table 8. Mini-Storage Base Cost per Square Foot

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Modernization Cost per Student	Commercial/Industrial Cost per Square Foot
0.00006	11.7	0.677	0.280	\$40,533	\$0.05

Having calculated the base costs per square foot for commercial/industrial development, a residential fee offset must be applied to account for the residential fee revenues the District will collect from homes associated with the employees generated by new commercial/industrial development. It is important to note that while this offset assumes all homes associated with new employees are new homes, in reality some of the new employees will live in existing homes. For the purpose of calculating the residential fee offset, it is estimated the District will collect the full statutory residential fee of \$3.10 per square foot. The weighted average square footage for a new home in the District was previously shown in Table 2. Table 9 shows the calculations for the residential fee offset for all commercial/industrial development except mini-storage, while Table 10 shows the calculation for mini-storage development.

Table 9. Commercial/Industrial Residential Fee Offset (Except Mini-Storage)

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00255	11.7	0.677	1,760	\$3.10	\$1.10

Table 10. Mini-Storage Residential Fee Offset

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00006	11.7	0.677	1,760	\$3.10	\$0.03

By subtracting the residential fee offset from the base commercial/industrial costs per square foot, the final school facility cost, which takes into account linked residential revenue, is determined. Table 11 shows the final commercial/industrial costs per square foot.

Table 11. Commercial/Industrial Final Costs per Square Foot

Development Type	Base Cost per Square Foot	Residential Offset	Final Cost per Square Foot
Mini-Storage	\$0.05	\$0.03	\$0.02
All Other Commercial/Industrial	\$2.29	\$1.10	\$1.19

The Wheatland School District is therefore justified in collecting commercial/industrial developer fees at a rate of \$1.19 that exceeds 60% of the current statutory Level I fee of \$0.50 (60% of \$0.84), with the exception of mini-storage development. Therefore, the District is justified to collect its 60% share of the full amount of the statutory fee per square foot of new commercial/industrial construction, which is currently \$0.50, except for mini-storage development, which should be collected at \$0.02 per square foot.

SUMMARY AND FINDINGS

This study finds that the Wheatland School District is justified in the collection of the statutory developer fees per square foot of both residential and commercial/industrial construction. The District should move forward with adopting the new fees. This requires the District to follow the appropriate notices for a public hearing and meeting all noticing requirements.

This justification is based on the following conclusions of the study:

- While the District currently has capacity to house its students, there remains a need to modernize its school facilities to continue housing new students who are generated from new development at the existing level of service;
 - Modernization costs are 41.1% of new construction costs;
- Residential development will generate 0.280 TK-8th grade students per unit for the District to house;
 - The District's modernization cost for students generated from residential development is \$6.45 per square foot;
- Commercial/Industrial calculations also indicate a cost to house pupils that would be generated from local housing as a result of residents moving into the District;
 - This modernization cost for students generated from commercial/residential development is \$1.19 per square foot, except for mini-storage development which is \$0.02 per square foot;
- The District meets the criteria to impose the statutory developer fee.

Due to these factors, the District should proceed with adopting its 60% share with adopting the statutory Level I Developer Fees, currently \$3.10 per square foot for residential construction and \$0.50 per square foot for commercial/industrial construction, except for mini-storage which is charged at \$0.02 per square foot.

ADMINISTRATION OF THE FEES

Administrative Requirements

The District must maintain a special account for the developer fees collected and any interest which accrues from the fees collected.

Reporting Requirements

Government Code sections 66006 and 66001 require, annually within 180 days of the end of each fiscal year, that the District make available to the public certain information and adopt prescribed findings relative to Developer Fees adopted pursuant to Education Code section 17620 and Government Code section 65995.

For the fifth fiscal year following the first deposit into the fund, and every five years thereafter, the District is required to make additional findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted.

This accounting will identify a description of the fee and its amount as well as a beginning and ending fund balance. Also, in the report will be the portion of the collected funds that have been expended, those remaining funds, and the purpose to which those have been and will be put to use. The report must also identify the approximate date upon which a school district anticipates receiving adequate revenue to complete any improvements required as a result of students generated from residential or commercial construction projects.

Government Code Section 66001 (a) (1): Purpose of Fees

The purpose of the fee is school facility construction and reconstruction to help the District continue to provide school facilities to all pupils, current and new, over the next 20 years by continuing to reconstruct or modernize the existing facilities to maintain the existing level of service for all students.

Government Code Section 66001 (a) (2): Use of Fees

The District's use of the fee will involve construction and/or reconstruction of school facilities and/or additional permanent facilities on existing school campuses, including but not limited to the types of projects included in this Study. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed. Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

1. Design of School Facilities;
2. Purchase of land for School Facilities;
3. Construction or reconstruction of school facilities including both classroom and instructional spaces, and ancillary supporting facilities;
4. Furniture for use in new school facilities;
5. Testing and inspection of school sites and school buildings and permit and plan check fees;
6. Interim school facilities to house students generated by new development while permanent facilities are being constructed;
7. Legal and administrative costs associated with providing facilities to students generated by new development;
8. Administration of the collection of developer fees;

9. Miscellaneous purposes resulting from student enrollment growth caused by new residential development; and
10. Any other use permitted by law.

Government Code Section 66001 (a) (3): Reasonable Relationship between the Fee's Use and the Type of Development Project on which the Fee is Imposed

Future residential development will cause new families to move into the District and, consequently, generate additional students in the District. In order to continue providing facilities at the existing level of service for future students, the District will need to modernize and/or reconstruct facilities. The fee's use is therefore reasonably related to the type of project upon which it is imposed.

In addition, new commercial/industrial development will cause new workers to move into the District. Because these workers will have school-age children, the District will need to provide facilities for these students. The fee's use is reasonably related to the type of project upon which it is imposed.

Fees on Residential Reconstruction

Residential Reconstruction consists of voluntarily demolishing existing residential units and replacing them with new residential development. To the extent reconstruction increases the residential square footage beyond what was demolished, the increase in square footage is subject to the applicable developer fees as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage the determination of the applicable fee, if any, is subject to a showing that the replacement square footage results in an increase in student enrollment and, therefore, an additional impact being placed on the School District to provide facilities for new student enrollment. Prior to the imposition of fees on Replacement Square Footage, the School District shall undertake an analysis on any future proposed projects(s) to examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in SGRs as identified in the Study for the applicable unit types between existing square footage and Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

Reconstruction of Commercial/Industrial Square Footage

The voluntary demolition of existing commercial/industrial buildings and replacement with new residential development is a different category of Reconstruction. The School District will evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

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

As demonstrated in this Study, current District school facilities require renovation/reconstruction to continue providing the existing level of service for the next 20 years. Existing residents and residents from new development, both residential and commercial/industrial, should share in these costs. Therefore, the need for adequate school facilities is directly related to the new residential and commercial/industrial development projects upon which the fee is imposed.

Government Code Section 66001 (b): Reasonable Relationship Between the Amount of the Fee and the Cost of the Public Facility

The State School Facility Program provides a reference for the relative cost of reconstruction/modernization projects to new construction. This report demonstrates the cost per student for new construction projects, and by using the School Facility Program grant amounts for reference, the cost per student for reconstruction/modernization projects that will need to be undertaken to ensure the District can continue to provide school facilities at the existing level of service for all future students. This report also demonstrates that the cost impact to the District per square foot of development, whether residential or commercial/industrial, is greater than the statutory developer fees to be collected.

REVENUE SOURCES/FUNDING FACILITIES

The District may also utilize other sources of funding for modernizing and/or reconstructing school facilities. These funding sources include:

State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August, 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 is a 50/50 match for new construction projects and a 60/40 match for modernization projects. While there is generally a shortfall between State funding and the District’s actual facility needs, the State monies aid in assisting the District in its facility needs.

General Obligation Bonds

School districts can, with the approval of 2/3 or 55% of voters, issue General Obligation Bonds which are paid out of property taxes.

The Wheatland School District has not passed a bond recently.

Parcel Taxes

Approval by 2/3 of the voters is required to impose taxes that are not based on the assessed value of individual parcels. The revenues from these taxes are usually minor. Parcel taxes are typically not used for capital outlay. Instead, revenue from such programs is generally used to fund curriculum, instructional enhancements, and other non-facility related expenditures.

Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from 2/3 of the voters in an election.

RECOMMENDATIONS

This report recommends that the Wheatland School District levy its 60% share of the maximum statutory fee authorized by Government Code Section 65995 on new residential development, currently \$3.10 per square foot, (60% of \$5.17) per the District's fee sharing agreement with Wheatland Union High School District. This report also recommends that the Wheatland School District levy its 60% share of the maximum statutory fee authorized by Government Code Section 65995, currently \$0.50 per square foot, (60% of \$0.84) on all categories of commercial/industrial development (except mini-storage) per their fee split agreement with the Wheatland Union High School District.

These recommendations are based on the findings that residential and commercial/industrial development create a school facility cost for the Wheatland School District.

SOURCES

California Basic Educational Data System. California State Department of Education. October Enrollments, 2023-24.

California State Department of Education. California Public School Directory.

California State Department of Finance. Population Research Division.

Guensler, Craig. Superintendent. Wheatland School District.

Perkins, Kevin. Assistant Director. Yuba County.

Valente, Kevin. Senior Planner. City of Wheatland.

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

RealQuest Online Database.

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

United States Census Bureau, 2022 American Community Survey.

APPENDIX A
CONSTRUCTION COSTS



December 1, 2023

RE: Estimated Construction Costs
Subject: Per-Student Costs at Wheatland School District

To Whom It May Concern,

We have reviewed our records of past and present projects that involve recent new school Construction, within the region. Using a formula based on escalation from projects in previous years, our estimate for the Wheatland School District is as follows:

Elementary School - capacity of 600 students:	\$55,587,581
Construction cost per student	\$92,646
Middle School - capacity of 1000 students:	\$112,559,302
Construction cost per student	\$112,559

These costs assume a reasonably flat site with access to utilities consistent with an urban/residential area. These costs exclude site acquisition. The above estimated costs are for the purposes of discussing State eligibility and developer fees, and are not intended for use in developing budgets for specific projects with unique conditions. Projections beyond the next 12 months will require a minimum of 6.5% escalation compounded annually.

Thank you,

DocuSigned by:

A handwritten signature in black ink that reads "Kelli Jurgenson".

Kelli Jurgenson, Vice President
VPC

APPENDIX B
PER PUPIL GRANT AMOUNTS

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 24, 2024

Grant Amount Adjustments

New Construction	SFP Regulation Section	Adjusted Grant Per Pupil Effective 1-1-23	Adjusted Grant Per Pupil Effective 1-1-24
Elementary	1859.71	\$15,983	\$15,770
Middle	1859.71	\$16,904	\$16,679
High	1859.71	\$21,509	\$21,223
Special Day Class – Severe	1859.71.1	\$44,911	\$44,314
Special Day Class – Non-Severe	1859.71.1	\$30,036	\$29,637
Automatic Fire Detection/Alarm System – Elementary	1859.71.2	\$19	\$19
Automatic Fire Detection/Alarm System – Middle	1859.71.2	\$25	\$25
Automatic Fire Detection/Alarm System – High	1859.71.2	\$43	\$42
Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.71.2	\$80	\$79
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.71.2	\$57	\$56
Automatic Sprinkler System – Elementary	1859.71.2	\$268	\$264
Automatic Sprinkler System – Middle	1859.71.2	\$319	\$315
Automatic Sprinkler System – High	1859.71.2	\$331	\$327
Automatic Sprinkler System – Special Day Class – Severe	1859.71.2	\$846	\$835
Automatic Sprinkler System – Special Day Class – Non-Severe	1859.71.2	\$567	\$559

ATTACHMENT B

ANNUAL ADJUSTMENT TO SCHOOL FACILITY PROGRAM GRANTS

State Allocation Board Meeting, January 24, 2024

Grant Amount Adjustments

Modernization	SFP Regulation Section	Adjusted Grant Per Pupil Effective 1-1-23	Adjusted Grant Per Pupil Effective 1-1-24
Elementary	1859.78	\$6,086	\$6,005
Middle	1859.78	\$6,436	\$6,350
High	1859.78	\$8,427	\$8,315
Special Day Class - Severe	1859.78.3	\$19,396	\$19,138
Special Day Class – Non-Severe	1859.78.3	\$12,977	\$12,804
State Special School – Severe	1859.78	\$32,330	\$31,900
Automatic Fire Detection/Alarm System – Elementary	1859.78.4	\$198	\$195
Automatic Fire Detection/Alarm System – Middle	1859.78.4	\$198	\$195
Automatic Fire Detection/Alarm System – High	1859.78.4	\$198	\$195
Automatic Fire Detection/Alarm System – Special Day Class – Severe	1859.78.4	\$544	\$537
Automatic Fire Detection/Alarm System – Special Day Class – Non-Severe	1859.78.4	\$365	\$360
Over 50 Years Old – Elementary	1859.78.6	\$8,454	\$8,342
Over 50 Years Old – Middle	1859.78.6	\$8,942	\$8,823
Over 50 Years Old – High	1859.78.6	\$11,705	\$11,549
Over 50 Years Old – Special Day Class – Severe	1859.78.6	\$26,948	\$26,590
Over 50 Years Old – Special Day Class – Non-Severe	1859.78.6	\$18,019	\$17,779
Over 50 Years Old – State Special Day School – Severe	1859.78.6	\$44,910	\$44,313