



DUBLIN UNIFIED SCHOOL DISTRICT

SCHOOL FACILITY NEEDS ANALYSIS

AUGUST 2015
FINAL REPORT V2

PREPARED FOR:

**BOARD OF TRUSTEES
DUBLIN UNIFIED SCHOOL DISTRICT**

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DUBLIN UNIFIED SCHOOL DISTRICT

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EXECUTIVE SUMMARY

INTRODUCTION

This School Facility Needs Analysis (“Needs Analysis” or “SFNA”) was prepared pursuant to the requirements of Senate Bill 50, Chapter 407; Statutes 1998, (hereinafter “Chapter 407/98” or “SB 50”) which became effective on November 4, 1998 after voters in California supported Proposition 1A. The purpose of this Needs Analysis is to evaluate the need for and amount of alternative or “Level 2” fees allowed for new residential construction, pursuant to Chapter 407/98 for the Dublin Unified School District (“District”).

Chapter 407/98 essentially authorizes qualifying school districts to levy three different levels of developer fees. These three levels of fees are from Government Code Sections 65995, 65995.5 and 65995.7. Developer fees levied pursuant to Govt. Code Section 65995 are typically called “Statutory fees”, “Sterling fees”, or “Level 1 fees” and the current maximum statutory fee amounts for K-12 facilities are \$3.36 per square foot of residential construction and \$0.54 per square foot of commercial/industrial construction. These amounts are effective as of January 1, 2014 and will be adjusted every two years thereafter in an amount equal to the change in the statewide cost index for Class B construction, as determined by the State Allocation Board (“SAB”). The District’s current Level 1 fees are \$3.36 per square foot of residential construction and \$0.54 per square foot of commercial/industrial construction.

Chapter 407/98 established two new sections, Section 65995.5 and 65995.7 that allow school districts to impose higher “alternative” fees on residential construction if certain conditions are met by school districts. Govt. Code § 65995.5 provides for an alternative fee (hereinafter “Level 2 fee”) that was established to provide approximately 50 percent of the cost of new school construction and site costs.

Govt. Code § 65995.7 provides for developer fees that would be approximately twice the amounts authorized for a Level 2 fee. This “Level 3 fee” may be levied by school districts if state funding becomes unavailable from the State Allocation Board. In essence, Section 65995.7 allows a school district to effectively double the Level 2 fee; however, if the school district later receives any state funding, any amounts collected in excess of Level 2 or 3 fees would have to be reimbursed to the developers from whom it was collected.

In order to impose an alternative Level 2 fee, the District must make the following determinations:

1. Determine if the District has been approved eligible by the State Allocation Board (“SAB”) for new construction grant funds under the School Facility Program (“SFP”);
2. Determine if the District has satisfied two of the four requirements set forth in Govt. Code Section 65995.5(b)(3);
3. Determine the District’s maximum allowable Level 2 fee and Level 3 fee as authorized by Govt. Code Sections 65995.5 and 65995.7 respectively.

In addition to making these determinations, this Needs Analysis must establish that a reasonable relationship or “nexus” exists between new development that occurs within the District and the need for additional school facilities as a result of new development. More specifically, this Needs Analysis will present findings in order to meet the procedural requirements of the Mitigation Fee Act, also known as AB 1600, which are as follows:

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; and
5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

SUMMARY OF KEY FINDINGS

1. The District is eligible for new construction funding under the School Facility Program (“SFP”) and satisfies 2 of the 4 statutory requirements necessary to levy a Level 2 Fee pursuant to Govt. Code Section 65995.5(b)(3), therefore the District is eligible to levy an alternative “Level 2” fee.
2. Existing school building capacity pursuant to SB 50 for 2014-15 is 5,194 K-6 students, 1,450 7-8 students, and 2,499 9-12 students for a total student capacity of 9,143 students.
3. The District's enrollment, as of October 2014, was 5,687 K-6 students, 1,332 7-8 students and 2,132 9-12 students for a total K-12 enrollment of 9,151.
4. This Needs Analysis only addresses the enrollment and facility needs for residential development not under a mitigation agreement (referred to as “unmitigated housing units”).
5. Based on the City of Dublin’s most recent projections, building permit are projected to be issued for 549 unmitigated new single family homes (of which 354 are detached and 195 are attached) and 378 unmitigated new multi-family units within the District over the next 5 years.
6. A student generation rate analysis specific to this Needs Analysis finds that each new detached single family home on a large or medium size lot generates an average of 0.910 K-12 students while each detached single family home on a small lot generates an average of 0.980 K-12 students. Additionally, each new attached single family home or “townhome” generates an average of 0.471 K-12 students while a new multi-family unit generates an average of 0.159 K-12 students.
7. Over the next five years, 492 additional students are expected from the forecasted new single-family residential (attached and detached) and multi-family units from residential development not subject to a mitigation agreement with the District. This breaks down to 311 elementary, 107 middle and 74 high school grade students.
8. Given that existing school building capacity pursuant to SB 50 is inadequate to house existing students and new students from new unmitigated housing development, 492 new K-12 students generated over the next five years from unmitigated units will be considered "unhoused" students.

9. The total allowable costs per student for a Level 2 Fee are \$15,194 per elementary student, \$15,867 per middle school student and \$64,522 per high school student.
10. Using these cost factors and the projected number of new homes, the maximum amount chargeable to residential development as a Level 2 Fee is \$11,054,607. Of this total amount, \$4,725,216 is attributable to new elementary facilities, \$1,697,739 is attributable to new middle school facilities and \$4,774,652 is attributable to new high school facilities.
11. It is projected that the average single family residential home will be 2,830 square feet (large or medium lot detached unit), 2,320 square feet for single family detached on a small lot, 1,900 square feet for an attached single family residential home, and 970 square feet for a multi-family residential unit. The total projected new residential area from unmitigated housing units is 1,605,360 square feet.

SUMMARY OF GENERAL RECOMMENDATIONS

1. The District should levy the Level 2 fee at the rate of \$6.89 per square foot for all new residential development, with the exception of any residential development that is paying mitigation through a developer mitigation agreement, Mello-Roos tax or other special tax for school facilities.
2. The Level 2 fee should be adopted and implemented pursuant to Govt. Code § 65995.5 and as generally summarized in Appendix B to this Needs Analysis.
3. The District should continue to levy the maximum allowable commercial / industrial fee of \$0.54 per square foot.

DISTRICT ENROLLMENT AND SB 50 SCHOOL BUILDING CAPACITY

DISTRICT PROFILE

The District currently serves K-12 students in an area encompassing the City of Dublin in Alameda County. For the 2014-15 school year, the District maintained six elementary schools, two 6-8 middle schools, one high school as well as a continuation high school.

EXISTING SCHOOL BUILDING CAPACITY DETERMINATION

Pursuant to Government Code § 65995.6, existing school building capacity for State new school construction funding purposes is determined by a teaching station methodology whereby each permanent teaching station is counted and loaded at the rate of 25 students per classroom for grades K-5 and 27 students per classroom for grades 6-12. Pursuant to Education Code § 17071.30(b), the maximum number of portable classrooms, reduced by the number of portable classrooms used as interim housing for modernization projects, included within the capacity calculation shall not exceed 25 percent of the number of permanent classrooms.

Figure 1 below is the District's existing capacity from the District's revised baseline SAB 50-02 form as of June 24, 2009 and updated to reflect new applications since October 2014. As shown, the District has an updated state capacity for 9,143 K-12 students. (See Appendix A for more detail).

FIGURE 1 – STATE CAPACITY DETERMINATION (2014-15)

Grade Levels ¹	SAB 50-02 Form ²	Capacity Adjustment ³	Updated State Capacity
Grades K-6	2,998	2,196	5,194
Grades 7-8	753	697	1,450
Grades 9-12	1,618	881	2,499

Source: Office of Public School Construction

Notes:

¹ Pursuant to Education Code Section 17071.10, State capacity is determined on a K-6 and 7-8 grade level configuration.

² Revised SAB 50-02 as of June 24, 2009 to account for non-conforming classrooms at Dublin High School.

³ Pursuant to Education Code Section 17071.10 et. seq.

EXISTING SCHOOL BUILDING CAPACITY VS. ENROLLMENT

Figure 2 below compares the District's 2014-15 enrollment with the District's SB 50 existing school building capacity. As shown, the District has no excess capacity for new elementary school students generated by new unmitigated housing units.

Additionally, as shown, excess capacity exists for new middle and high school students for the 2014-15 school year. However, it is important to note that when considering the matriculation of students from existing housing, this excess capacity will be required for students from existing housing as they matriculate through the grades.

FIGURE 2 – DISTRICT CAPACITY VS. ENROLLMENT (2014-15)

Grade Level	2014-15 SB 50 Capacity	October 2014 Enrollment	Excess (Deficit) Capacity
Grades K - 6	5,194	5,687	(493)
Grades 7 - 8	1,450	1,332	118
Grades 9 - 12	2,499	2,132	367
Total District	9,143	9,151	(8)

PROJECTIONS AND DEMOGRAPHICS

Figure 3 below presents the five-year projected unmitigated housing units within the District. Based on recent housing development projections provided by City of Dublin Planning Department for the remaining number of unmitigated housing units to be built, this Needs Analysis projects 92 single-family detached large and medium lot homes (“SFR LL & ML”), 262 single family small lot detached units (“SFR Small Lot”), 195 single family attached (“SFR Attached”) and 378 new multi-family residential units (“MFR”) by the year 2020. These unmitigated development projects include Jordan Ranch, Moller Ranch, Tassajara Highlands, and the Bay West Group projects, Heritage Park and Terrace Ridge.

FIGURE 3 – PROJECTED UNMITIGATED HOUSING UNITS

Period	SFR LL & ML	SFR Small Lot	SFR Attached	MFR Units	Total
5 Yr Total	92	262	195	378	927

NEW RESIDENTIAL BUILDING AREA

Based on an analysis of historical dwelling unit size for the last five years, it is projected that the average size of a new detached single family homes on large and medium lots will be 2,830 square feet, new single family homes on small lots will be 2,320 square feet, new attached single family home will be 1,900 square feet and a multi-family unit will average 970 square feet. As a result, figure 4 projects 1,605,360 square feet of new residential area over the next 5 years from unmitigated residential development projects.

FIGURE 4 – NEW RESIDENTIAL BUILDING AREA (UNMITIGATED DEVELOPMENT PROJECTS)

	SFR				MFR	TOTAL
	Detached	Small Lot	Attached			
Average Dwelling Size (Sq. Ft.)	2,830	2,320	1,900		970	1,732
Total Units (5 years)	92	262	195		378	927
Total Residential Square Footage	260,360	607,840	370,500		366,660	1,605,360

STUDENT GENERATION RATES

Student generation rates, otherwise known as “yield factors”, are the average number of students that are generated by each housing unit. The student generation rates for new housing units were determined by SCI Consulting Group using an address match methodology whereby 2014-15 enrollment data was address-matched with housing units constructed within the District over the previous five years. However, student generation rates take up to ten years to fully mature. Therefore, the five-year student generation rates are adjusted by the change in student generation rates for which building permit were issued between 2004 and 2008 using 2009-10 enrollment data to account for maturity that occur in years six through ten.

The student generation rate analysis found that new single family detached homes on large or medium sized lots are generating an average of 0.910 K-12 students while smaller lot are generating an average of 0.980 K-12 students. The student generation rate for single family attached homes is 0.471 K-12 students while multi-family residential units are generating an average of 0.159 K-12 students.

FIGURE 5 – STUDENT GENERATION RATES FOR NEW HOUSING

Housing Types ¹	K-5	6-8	9-12	K - 12
New SFR (Detached, LL & ML)	0.480	0.240	0.190	0.910
New SFR (Detached, Small Lot)	0.688	0.194	0.097	0.980
New SFR (Attached)	0.251	0.121	0.100	0.471
New Multi-Family Residential	0.100	0.027	0.032	0.159

Notes:

¹ Based on City of Dublin land use categories as presented in Appendix C.

ENROLLMENTS FROM UNMITIGATED HOUSING UNITS

Figure 6 below shows the number of students projected from the forecasted new homes not under a development mitigation agreement with the District. If new unmitigated housing units are constructed as projected over the next five years, and each new single family detached large and medium lot home, single family small lot home, single family attached home (townhome) and multifamily housing are expected to generate 0.910, 0.980, 0.471 and 0.159 students per unit respectively, then District enrollment will increase by 492 K-12 students at buildout of the projects.

FIGURE 6 – PROJECTED ENROLLMENTS FROM UNMITIGATED HOUSING UNITS

Period	SFR - Detached		SFR		Students			
	LL & ML	Small Lot	Attached	MFR	K - 5	6 - 8	9-12	K - 12
5-Year Total	92	262	195	378	311	107	74	492

UNHOUSED ENROLLMENT FROM UNMITIGATED HOUSING UNITS

Given that enrollment exceeds the District's existing school building capacity for elementary and middle school, no existing capacity will be available for K-8 enrollment generated by unmitigated housing units. Therefore, K-8 students generated by unmitigated residential development are considered "unhoused."

As previously discussed, excess capacity exists for new high school students for the 2014-15 school year. However, all new high school students generated by unmitigated residential housing will be considered unhoused since the excess capacity will be required for students coming from existing housing as they matriculate through the grades.

FIGURE 7 – UNHOUSED ENROLLMENT FROM UNMITIGATED HOUSING UNITS

	Students from Unmitigated Housing Units	Available Capacity	Unhoused Students
Grades K-5	311	0	311
Grades 6-8	107	0	107
Grades 9-12	74	0	74

LEVEL 2 FEE DETERMINATION

Education Code § 17072.10 establishes allowable cost factors for new school construction that are used to determine the appropriate Level 2 fee for new residential development. These cost factors were established to represent approximately 50 percent of statewide school construction costs. It should be noted however, that the actual cost of school construction is significantly higher than the State cost factors indicate. Any shortfall in funding from the state school construction bond program (funded by Proposition 1D) and a Level 2 Fee will need to be addressed by local school districts with other sources of funds.

ALLOWABLE COSTS

Effective January 1, 2015, the allowable cost factors for new school construction are \$10,530 per elementary student, \$11,165 per middle school student and \$14,165 per high school student. These allowable cost factors include the base per pupil grant pursuant Education Code § 17072.10 and the auto alarm/detection grant and the sprinkler grant required by Education Code § 17074.56(a) for each grade level.¹ These allowable costs are summarized in the figure below.

FIGURE 8 – SUMMARY OF ALLOWABLE COSTS FOR NEW SCHOOL CONSTRUCTION

	K-5	6-8	9-12
Per Pupil Base Grant	\$10,345	\$10,942	\$13,923
Automatic Fire Detection/Alarm System Grant	\$12	\$17	\$28
Automatic Sprinkler System Grant	\$173	\$206	\$214
Total Per Pupil Grants¹	\$10,530	\$11,165	\$14,165

Source: State Allocation Board

Notes:

¹ Per pupil grants approved April 15, 2015, to be effective as of January 1, 2015.

¹ The State Allocation Board approved the new grant amounts at their April 15, 2015 meeting.

In addition, the District can include 50 percent of the cost of site acquisition, offsite improvements, and site development. Allowable site acreage for the District's next 950-capacity K-8 is 13.4 acres. Assuming a 1,500 capacity 9-12 school, allowable site acreage is 36.1 acre. These acreage amounts are consistent with the 1998 edition of the "School Site Analysis and Development Handbook" published by the California State Department of Education ("CDE").

In March 2015, the District entered into a Memorandum of Understanding with the City of Dublin regarding a long-term lease for a 10-acre site currently designated for a community park within the Jordan Ranch development. Therefore, no land acquisition costs are assumed for the District's next K-8 school. However, SAB Regulation 1859.74(a)(2) provides an allowance of \$50,000 for appraisal, survey, escrow costs, site testing, CDE review/approvals and preparation of the POESA and the PEA.

Land acquisition costs for new high school facilities are based on the May 5, 2014 land appraisal by Smith and Associates of the 10.2-acre Amador Elementary School site which indicates the value of the site is \$3 million per acre. To estimate the current land value for a comparable site, the figure is adjusted by the change in the median sales price for homes in the City of Dublin from May 2014 (\$627,000) to June 2016 (\$739,000) as reported by Zillow.

Site development costs per acre are based on actual costs for Kolb Elementary School plus an additional 13.5 percent to adjust for inflation. The inflationary adjustment is based on the change in the School Facility Program Grant amount for new elementary school construction from January 2011 (\$9,112) to January 2015 (\$10,345) as set by the State Allocation Board.

As further detailed in Figure 9, the site acquisition and development costs equate to \$3,794 per elementary student, \$3,794 per middle school student and \$49,421 per high school student. Additionally, Education Code Sections 17070.35, 17072.12 and 17072.35 allow for an additional grant for site development costs which equates to a 6% increase to the base grant for elementary and middle school and a 3.75% increase for high school plus \$16,838 per new, useable acre acquired for new construction. These additional grant amounts equate to \$869 per elementary student, \$907 per middle school student and \$936 per high school student.

Total SB 50 new school construction costs per student are \$15,194 per elementary student, \$15,867 per middle school student and \$64,522 per high school student.

It is important to note that although unhoused enrollment from unmitigated housing units will require the need of only 44 percent of a K-8 school and 5 percent of a new high school, the District will need to construct at least one K-8 school, one elementary school and one small high school to accommodate future unhoused students from existing housing and unhoused students generated from new mitigated and unmitigated units after the next five years.

LEVEL 2 FEE DETERMINATION

The determination of allowable costs and a Level 2 Fee is presented in Figure 9. This table calculates a composite single family/multi-family fee based on aggregate SB50 new school facility construction costs. This fee is the amount that is justified and should be established for new unmitigated residential construction. As shown, the District can justify a Level 2 single family/multi-family fee in the amount of \$6.89 per square foot of new residential area.

FIGURE 9 – ALLOWABLE LEVEL 2 FEE DETERMINATION

	Grade Level			Total
	K-5	6-8	9-12	
Unhoused Enrollment From Unmitigated Units	311	107	74	492
New Facility Capacity (K-8 School)	950	950	1,500	
New Facility Need (K-8 School)	0.33	0.11	0.05	
Allowable Acreage per Site (CDE 1998 Guidelines)	13.4	13.4	36.1	
Total Acreage Required	4.42	1.47	1.81	
Land Acquisition Cost per Acre ¹	\$50,000	\$50,000	\$3,619,000	
Site Development Cost per Acre ²	\$488,000	\$488,000	\$488,000	
Total Site Acquisition/Development Cost/Acre	\$538,000	\$538,000	\$4,107,000	
Allowable SB50 Site Acq./Devel. Costs per Acre ³	\$269,000	\$269,000	\$2,053,500	
SB50 Unhoused Pupil Grants ⁴	\$10,530	\$11,165	\$14,165	
Allowable SB50 Site Acq./Devel. Cost per Student ⁵	\$3,794	\$3,794	\$49,421	
Additional Site Development Grant per Student ⁶	\$869	\$907	\$936	
Total Allowable Costs per Student	\$15,194	\$15,867	\$64,522	
Total SB50 School Facilities Cost ⁷	\$4,725,216	\$1,697,739	\$4,774,652	\$11,197,607
Less: Projected Rental Income from Nielsen Site ⁸	-	-	-	(\$143,000)
Total Allowable SB50 Costs	\$4,725,216	\$1,697,739	\$4,774,652	\$11,054,607
Total New Residential Area (Sq. Ft.)				1,605,360
Composite Single Family/Multi-Family Fee per Square Foot				\$6.89

Notes:

¹ Assumes no land acquisition costs since next two K-8 school sites are likely to be leased by the District from the City. Figure for K-8 facilities is the minimum allowance per SAB Regulation 1859.74(a)(2) for appraisal, survey, escrow costs, site testing, CDE review/approvals and preparation of the POESA and the PEA. Figure for 9-12 facilities is based the May 2014 land appraisal for Amador Elementary of \$3 million per acre, adjusted 16% based on the change in the median sales price for homes in Dublin from May 2014 to June 2016 and 4% for other allowable costs pursuant to SAB Regulation 1859.74(a)(2).

² Site development costs per acre are based on actual State apportionment for the constructed Kolb Elementary School and adjusted 13.5% for inflation. Costs include service site, offsite, utilities and site other.

³ Pursuant to SB50, 50 percent of total site acquisition and development costs are allowable in calculating Level 2 fees.

⁴ For K-5 facilities, the unhoused pupil grant is the sum of the base grant, the auto/detection grant and the fire sprinkler grant adjusted by the State Allocation Board on April 15, 2015.

⁵ The allowable SB50 site acquisition and site development costs calculated per student utilizing new school size and acreage required per campus.

⁶ The allowable additional grant for site development costs per student pursuant Education Code Sections 17070.35, 17072.12 and 17072.35.

⁷ This amount equals the total school construction costs that may be funded with SB50 fees.

⁸ Projected rental income of \$28,600 annually for 5 years from Nielsen Education Center.

ALLOWABLE LEVEL 3 FEES

If state school construction funding becomes unavailable due to a lack of state school construction bonds, school districts would be eligible to levy fees pursuant to Govt. Code § 65995.7 at twice the currently justified amount for a Level 2 Fee. Currently, the Level 3 fee for new residential construction in the District would be as shown below.

It should be noted that if the District levies Level 3 fees and later receives any state funding, any amounts collected in excess of a Level 2 Fee either would have to be refunded to the property owners from whom it was collected or deducted from any future funding allocations made by the State. If such reimbursement were to occur, the District could deduct from the reimbursable amount its expenditures for interim housing for students from new residential development.

FIGURE 10 – LEVEL 3 FEES

Cost and Fee Categories	Amount
Allowable Cost per Elementary Student	\$30,387
Allowable Cost per Middle School Student	\$31,733
Allowable Cost per High School	\$129,045
Allowable Level 3 Fees Per Square Foot	\$13.77

SCHOOL SITES, FACILITIES AND LOCAL FUNDING SURPLUSES

This section evaluates and considers surplus school sites, surplus facilities and other local funding for capital improvements that can be used to offset the cost of facilities needed for students from new residential development. More specifically, pursuant to Govt. Code § 65995.6(b), the District must “identify and consider (a) any surplus property owned by the school district that can be used as a school site or that is available for sale to finance school facilities, (b) the extent to which projected enrollment growth can be accommodated at existing surplus school facilities, and (c) local sources of revenue that are available or dedicated to finance the construction or reconstruction of school facilities need to accommodate any growth in enrollments attributable to new residential development.”

SURPLUS SCHOOL SITES

The District owns a 10.2-acre site known as Elementary School No. 4. This site, located in the Positano Development in East Dublin, will be the site of the District’s next elementary school – Amador Elementary School – scheduled to open September 2015. The District owns no surplus property that might be available for sale to finance school facilities.

SURPLUS SCHOOL FACILITIES

The District has no existing surplus school facilities to accommodate projected enrollment growth.

SURPLUS LOCAL FUNDS

The following is an evaluation of other local funding sources that might be available or could be dedicated to finance the construction or reconstruction of school facilities needed to accommodate enrollment growth attributable to new residential development.

GENERAL OBLIGATION BOND

The District had a voter approved general obligation bond authorization totaling \$184 million in 2004 (Measure C). The District also had a voter approved general obligation bond authorization totaling \$99 million in 2012 (Measure E) in June 2012.

MITIGATION FEES

The District has a number of current and future building projects grandfathered under mitigation agreements. These agreements stipulate that the development projects will pay specified dollar amounts as mitigation fees that will be used for the construction of school facilities. Pursuant to these agreements and state law, the school facilities financed with mitigation fees must be made available for students from the development projects paying the fees.

GENERAL FUND REVENUE

The District's general funds are needed by the District to provide for the operation of its instructional program. There are no unencumbered funds that could be used to construct new facilities or reconstruct existing facilities.

LOTTERY REVENUE

All funds from the California State Lottery Education Fund must be used exclusively for 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.

COMMERCIAL / INDUSTRIAL STATUTORY FEES

Commercial and industrial statutory fees levied pursuant to Govt. Code § 65995(b)(2) offset only a portion of the cost of new school facilities and will continue to be needed to provide additional school facilities for enrollments generated by employees from new commercial and industrial businesses.

OTHER LOCAL FUNDING SOURCES

Any other local funding sources that may become available will be required to provide additional school capacity for unhoused enrollments from existing and future housing.

LEVEL 2 ELIGIBILITY

This section frames the District's eligibility to levy alternative residential school facility fee ("Level 2 fee"), in terms of the statutory requirements pursuant to Government Code Sections 65995.5(b)(1) and 65995.5(b)(3). In general, the District must make a "timely" application to the State Facilities Program and satisfy a certain number of statutory requirements in order to levy a Level 2 fee. The specific requirements and findings for both fees are discussed below.

THE SCHOOL DISTRICT MUST MAKE A TIMELY APPLICATION FOR STATE FUNDING FOR NEW CONSTRUCTION UNDER THE STATE FACILITIES PROGRAM

This statutory requirement has been met. On July 2, 1999, the District submitted eligibility documents to the State to participate in the State Facilities Program. SAB forms 50-01, 50-02 and 50-03 were approved by the State Allocation Board on October 27, 1999. The District has subsequently updated its eligibility to reflect October 2014 CBEDs enrollment. As of September 1, 2014, the District eligibility for new construction funding was 4,580 students for grades K-6 and 1,007 students for grades 7-8 and 1,465 for grades 9-12. (See Appendix F for more information.)

UNTIL JANUARY 1, 2000, SATISFY ONE OF THE FOLLOWING CONDITIONS AND, ON OR AFTER JANUARY 1, 2000, MEET TWO OF THE FOLLOWING CONDITIONS:

1. Attempt to pass a local bond at least once within the past four years and get approval of 50 percent plus one of the votes cast.

This statutory condition has been met. In June 2012, the District passed Measure E, a \$99 million local school bond measure, and received 62 percent support.

2. Have at least 30 percent of K-6 enrollment on multi-track year-round education; or at least 40 percent of public school students in grades K-12 are on multi-track year round education schedules within the high school attendance area for which the district is applying for funding.

This statutory condition has not been met. For 2014-15 school year, the District did not provide a multi-track year round education schedule at any school.

3. Have issued debt or incurred obligations for capital outlay in an amount equivalent to 15 percent of the district's local bonding capacity (30 percent if post-November 1998 landowner-approved Mello-Roos bonds are included).

This statutory condition has been met. The District's current debt level is 86.8 percent of the District's bonding capacity as detailed in Appendix D to the Needs Analysis.

4. At least 20 percent of the teaching stations in the district are relocatable classrooms.

This statutory condition has not been met. The District's total classroom inventory is less than 20 percent relocatable classrooms.

The District has made a timely application for state funding; has attempted to pass a local bond measure within the last four years and received more than 50 percent support and has a bonded indebtedness greater than 15 percent of the District's bonding capacity. Therefore, the District meets the statutory prerequisites for levying a Level 2 fee.

NEXUS FINDINGS

This section frames the results of the Needs Analysis in terms of the nexus requirements pursuant to AB 1600 which are codified in California Govt. Code § 66000.² In general, it must be demonstrated that a reasonable relationship or “nexus” exists between new development that occurs within the District and the need for additional school facilities as a result of new development. The specific nexus requirements and findings for the fee are discussed below.

IDENTIFY THE PURPOSE OF FEE

The purpose of the fee is to provide funding for construction and reconstruction of school facilities for new students generated by residential housing.

IDENTIFY THE USE OF FEE

As outlined in the Needs Analysis, the general purpose of the fee is to fund the construction of additional school facilities as outlined in the Needs Analysis. The District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

Revenue from fee collected on residential and commercial/industrial development may be used to pay for any of the following:

1. Construction or reconstruction of school facilities.
2. Acquisition or leasing of land for school facilities.
3. Design of school facilities.
4. Permit and plan checking fees,
5. Testing and inspection of school sites and buildings,
6. Furniture for use in new school facilities,
7. Purchased or leased interim school facilities.
8. Legal and administrative costs associated with providing school facilities to students generated by new development.
9. Administration of the justification and collection of developer fees
10. Other miscellaneous costs resulting from student enrollment growth caused by new development.

² Otherwise known as the Mitigation Fee Act.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE FEE'S USE AND THE TYPE OF DEVELOPMENT PROJECT ON WHICH THE FEE IS IMPOSED

New residential development will cause families to move into the District and will, consequently, generate additional students in the District. As previously discussed, adequate school facilities do not exist for all these students. New residential development, therefore, creates a need for additional school facilities. The fee's use (acquiring new facilities) is therefore reasonably related to the type of project (new residential development) upon which it is imposed.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE NEED FOR PUBLIC FACILITIES AND THE TYPE OF DEVELOPMENT ON WHICH THE FEE IS IMPOSED

As previously discussed in this Needs Analysis, the District has insufficient permanent capacity to house all additional students projected to enroll in the District from unmitigated residential development. New unmitigated residential development, therefore, will generate "unhoused students" and consequently, create a need for additional school facilities.

DETERMINE HOW THERE IS A REASONABLE RELATIONSHIP BETWEEN THE AMOUNT OF FEE AND THE COST OF THE PUBLIC FACILITY OR PORTION OF THE PUBLIC FACILITY ATTRIBUTABLE TO THE DEVELOPMENT ON WHICH THE FEE IS IMPOSED

The relationship between the amount of the Level 2 fee and the cost of the school facilities attributable to new unmitigated residential development is detailed in figure 9. As shown, the cost of school facilities attributable to new unmitigated residential housing is \$6.89 per square foot of living area.

APPENDICES

Appendix A – Existing School Building Capacity Determination

Appendix B – Requirements for Adoption of the Needs Analysis

Appendix C – City of Dublin Land Use Categories

Appendix D – Bonded Indebtedness to Bonding Capacity Calculation

Appendix E – Current New Construction Eligibility

APPENDIX A – EXISTING SCHOOL BUILDING CAPACITY DETERMINATION (2014-15)

SFP Application No.	School	K-6	7-8	9-12
Revised SAB 50-02		2,998	753	1,618
50/75093-00-001	JDS	375		
50/75093-00-004	JDS	150		
50/75096-00-005	FMS	421	697	
50/75093-00-006	GES	610		
50/75093-00-008	DHS			881
50/75093-00-009	KES	640		
Total Adjustments		2,196	697	881
Total Pupils		5,194	1,450	2,499

Source: Samuel Smith, Office of Public School Construction

APPENDIX B – REQUIREMENTS FOR ADOPTION OF THE NEEDS ANALYSIS

To levy an alternative “Level 2 fee”, a school district must perform the following tasks:

1. Prepare a Needs Analysis as described by Govt. Code § 65995.6.
2. Final Needs Analysis must be made available for public review for a period of at least 30 days.
3. Publish notice of hearing for the Needs Analysis and fee increase in a newspaper of general circulation at least 30 days prior to the hearing.
4. Mail a copy of the Needs Analysis 30 days prior to hearing to any party that has submitted a written request for such copies at least 45 days prior to the hearing.
5. Notify and provide a copy of the Needs Analysis to the local planning and land use agencies at least 45 days prior to the hearing as required by Govt. Code § 65352.2.
6. The Governing Board must respond to any written comments received on the Needs Analysis.
7. Conduct a public hearing after the 30-day review period.
8. Pass a resolution adopting the Needs Analysis and Level 2 or Level 3 fee, as applicable.
9. The fees take effect immediately upon adoption and are effective for a period of one year.

APPENDIX C – CITY OF DUBLIN LAND USE CATEGORIES

Land Use Categories	Housing Type	Description	Unit Density per Acre
Low Density	SFR - Detached	Single Family detached units on lots 4,000 square feet or greater in size.	0.9 to 6.0 Units
Medium Density	SFR - Detached "Small Lot", duplex, townhouse or garden apartment development.	Single Family detached units on lots less than 4,000 square feet in size or attached units with a gross density greater than 6 units to the acre and less than or equal to 14 units to the acre.	6.1 to 14.0 Units
Medium High Density	Duplexes, tri-plexes, quadriplexes, townhouses, flats and garden apartments.	Attached units with a gross density greater than 14 units to the acre and less than or equal to 25 units to the acre.	14.1 to 25 Units
High Density	MFR - Apartment or Condominium Development	Attached units with a gross density greater than 25 units to the acre.	25.1 Plus Units

Source: City of Dublin

APPENDIX D – BONDING INDEBTEDNESS TO BONDING CAPACITY CALCULATION

Assessed Value Calculation

District Assessed Value (June 30, 2014)	\$11,003,823,450
Maximum Bonding Percentage	2.5%
District Maximum Bonding Capacity	<u>\$275,095,586</u>

Outstanding Debt Obligation

2005 Refunding Bond	\$0
2004 G.O. Bond, Series A	\$0
2004 G.O. Bond, Series B	\$48,200,000
2004 G.O. Bond, Series C	\$13,183,377
2004 G.O. Bond, Series D	\$9,235,858
2004 G.O. Bond, Series E	\$26,763,908
2010 Refunding Bond	\$12,345,000
2011 G.O. Bond Anticipation Note	\$25,000,000
2012 Refunding G.O. Bond	\$29,415,000
Election 2012, Series A	\$32,380,000
2013 Refunding Bonds	\$17,255,000
2014 GO Bond Anticipation Notes	<u>\$25,000,000</u>
Total Debt Obligation	\$238,778,143

Percentage of Bonding Capacity	86.8%
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APPENDIX E – CURRENT NEW CONSTRUCTION ELIGIBILITY

Dublin Unified School District Districtwide Eligibility



2014 Estimated Districtwide Eligibility - 10 Year Projection

10 Year Projection	K-6	7-8	9-12	Non Severe SDC	Severe SDC	Total
Projection	10,099	2,457	4,099	196	181	17,032
SAB 50-02	2,998	753	1,618	27	19	5,415
Eligible Grants	7,101	1,704	2,481	169	162	11,286
Reduced by Projects						
Dougherty ES (50/01)	-375			0	0	-375
Dougherty ES (50/04)	-150					150
Fallon MS (50/05)	-421	-697				-1118
Green ES (50/06)	-610					-610
Dublin HS (50/08)			-881			-881
Kolb ES (50/09)	-640			-26	-9	-675
Dublin HS (57/09 -3 CR's Provided)				-39		-39
Murray ES 3 CR's Provided	-75					-75
Dublin ES 10 CR's Provided	-250					-250
Dublin HS St. Union 5 CR's Provided			-135			-135
						0
Available Eligibility	4,580	1,007	1,465	104	153	7,309
State Base Grant Funding	\$45,438,180	\$10,564,437	\$19,673,485	\$1,938,560	\$4,264,569	\$81,879,231

*Applications 50/02 and 50/03 were withdrawn

** There is not an application 50/07 on the OPSC Tracker

Prepared by School Facility Consultants

9/11/2014

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