

ELK GROVE UNIFIED SCHOOL DISTRICT

Annual and Five-Year Reportable Developer Fees

Report for Fiscal Year 2019/2020



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Prepared by the Facilities Accounting
Department

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I. INTRODUCTION

A. Background

The California Government Code Sections 66001 and 66006 provide that the Elk Grove Unified School District ("School District") shall make available to the public certain information and adopt prescribed findings relative to school facility fees adopted pursuant to Education Code Section 17620 and Government Code Sections 65995 (Level 1 fees and commercial/industrial fees, collectively "Statutory School Facility Fees") and Government Code Sections 65995.5, 65995.6 and 65995.7 (Level 2 fees or "Alternative School Facility Fees"). The foregoing fees are collectively referred to as "Reportable Fees". The described information and findings contained in this Annual and Five-Year Reportable Developer Fees Report ("Report") relate to Reportable Fees that the District received, expended, or may expend in connection with school facilities in order to accommodate additional students from new and other residential development, as well as commercial and industrial construction (collectively referred to as "Development") if funded or partially funded with Reportable Fees. The Reportable Fees only include money in possession of the School District and do not include special tax proceeds, proceeds of bonds, or letters of credit to secure payment of Reportable Fees at a future date. Further, the School District attests that Reportable Fees have not been levied, collected, or imposed for general revenue purposes.

B. Reporting Requirements

The School District is required to provide the following information on Reportable Fees for the prior fiscal year:

1. The amount of the fees.
2. The beginning and ending balance of each account or fund.
3. The amount of the fees collected and the interest earned.
4. An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.
5. An identification of an approximate date by which the construction of the public improvement(s) will commence if the School District determines that sufficient funds have been collected to complete financing of an incomplete public improvement(s), and the public improvement(s) remains incomplete.
6. A description of each interfund transfer or loan made from the account or fund, if any, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the interest rate that the account or fund will receive on the loan.
7. The amount of refunds made pursuant to subdivision (e) of Section 66001 of the Government Code and any allocations pursuant to subdivision (f) of Section 66001.

In addition to the annual reporting requirements, the School District is required, for the fifth fiscal year following the first deposit into the fee account and every five years thereafter, to file a report with respect to any portion of any account or fund for the impact fees that remain unexpended, whether committed or uncommitted, documenting the following:

1. The purpose of the remaining fee(s).
2. A demonstration of a reasonable relationship between the fee and the purpose for which it is charged.
3. The sources and amounts of funding anticipated to complete financing for incomplete improvements.
4. The approximate dates on which the funding is expected to be deposited into the appropriate account or fund.

C. Use of Developer Fees

School facilities fees levied against new residential, commercial, and industrial development will be used only to finance school facilities necessary to accommodate students generated from such new development, including but not limited to:

- All costs associated with the construction or reconstruction of school facilities.
- All costs associated with providing additional space or interim housing to accommodate additional students.
- The costs of performing studies or otherwise making the findings and determinations required by law.
- To finance projects for one or more participating school districts or to an authority as authorized by law.
- Costs attributable to the increased demand for public facilities reasonably related to the development in order to (1) refurbish existing facilities to maintain the existing level of services or (2) achieve an adopted level of service that is consistent with a documented general plan such as a Facilities Master Plan.
- The reimbursement of administrative costs.

II. ANNUAL REPORT

In accordance with Government Code 66006(b)(1) and (2), the School District hereby presents the following information for fiscal period ending June 30, 2020 with regard to the annual Reportable Fees:

A. Description of the type of reportable Fees in the account or sub-account(s) of the school district:

The Reportable Fees of the School District consist of Statutory School Fees that are collected by the School District from new residential and commercial/industrial development. The foregoing fees are referred to as "Reportable Fees".

B. Amount of Reportable Fees

The Reportable Fees were authorized to be levied on Development by the Board of Education (see Table 1). The Reportable Fees only partially mitigate the impacts to the District and amounts do not adequately fund the District's school facilities needs. TABLE 1 lists the fee amounts and effective dates for the applicable Statutory Fees for fiscal year.

TABLE 1

	4/24/2019 - 04/21/2020	04/22/19 - current
Level I (per sq. ft.)	\$3.79	\$3.79
Level II (per sq. ft.)	\$2.15	\$2.55
Total Residential	\$5.94	\$6.34
	07/01/18 - 06/21/2020	06/22/2020 - current
Commercial/Senior (per sq. ft.)	\$0.61	\$0.66

C Beginning and ending balance, reportable fees collected, interest earned and expenditures of the fund:

TABLE 2 lists all the Reportable Fees for the period ending June 30, 2020, held in the Capital Facility Fund (Fund 25):

TABLE 2

Beginning Fund Balance as of July 1, 2019	\$ 39,762,674
Reportable Fees Collected	19,958,198
Incoming Transfers	7,895,822
Interest Earned	1,112,046
Expenditures/Outgoing Transfers (Schedule A)	(12,014,678)
Unaudited Fund Balance as of June 30, 2020	\$ 56,714,062

D. Identification of each improvement project on which reportable fees were expended Including the school facilities project ("project") total and percentage of the project cost that was funded with reportable fees:

SCHEDULE A of this report identifies the amount of Reportable Fees expended on School Facilities, as well as the percentage of each improvement funded by Reportable Fees.

E. When the district accumulates sufficient funds to complete project(s) for which it previously identified as intending to spend reportable fees, the district identifies the approximate date it will commence construction on such project(s):

The District has determined for the period ending June 30, 2020, Reportable Fees and other sources of funding were not sufficient to complete the financing of additional school facilities of the School District.

F. A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

See SCHEDULE A, lines 5,6 & 7.

G. The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocations pursuant to subdivision (f) of Section 66001.

For the period ending June 30, 2020, no refunds were made pursuant to the Government Code Section 66001.

III. FIVE-YEAR REPORT

In accordance with Government Code Section 66001, for the fifth fiscal year following the first deposit into the Fund, and every five years thereafter, the School District is required to make all of the following findings with respect to that portion of the Reportable Fees in the account or subaccount(s) remaining unexpended, whether committed or uncommitted:

A. Identification of the purpose for which the reportable fees will be expended in the future:

The purpose of the Reportable Fees imposed and collected on Development within the District is to fund additional school facilities required to serve the students of the District generated by development within the District. Specifically, the Reportable Fees will be used for the construction and/or acquisition of additional school facilities, remodeling existing school facilities to accommodate new growth from new development including, but not limited to, adding additional classrooms, and acquiring and installing additional portable classrooms.

B. Demonstration of a reasonable relationship between the reportable fees and the purposes for which they are charged:

There is a roughly proportional, and a reasonable relationship between the Development upon which the Reportable Fees are charged and the need for additional school facilities. Additional students will be generated by additional Development within the School District, and the School District does not have capacity in its existing school facilities to accommodate new students. Furthermore, the Reportable Fees do not exceed the costs of providing school facilities for the students generated from the new Development in which such fees were collected (as set forth in the Study, referred to herein Section A, Findings, c.).

C. Identification of all sources and amounts of funding anticipated to complete financing of the school facilities that are identified by the school district's report:

All school facilities projects identified by the school district's report (Crooked Creek Estates Elementary, Laguna Ridge East Elementary, and Sun Creek Middle/High Schools) are in the planning stage. The full, estimated costs of the projects are currently unknown. All funding sources and amounts will be determined as the projects evolve and reasonable estimates for the costs can be made.

D. Identification of the approximate dates on which the funding referred to in Section III.C is expected to be deposited into the appropriate account or fund

Approximate dates on which additional funds will be deposited into the appropriate accounts or fund to finance the projects referenced in section C will be provided once the projects' estimated costs can be reasonably determined.

SCHEDULE A

Reportable Fees Expenditures for the period ending June 30, 2020

	Expenditures	Total Amount Paid from Reportable Fees (in FY 2019/2020)	Percent of Total Cost Funded with Fees
1.	Fee Administration	\$ 323,064	100%
2.	School Facilities Needs Assessment	5,950	100%
3.	Enrollment Growth	10,823	100%
4.	Charter Schools	82,841	100%
5.	Crooked Creek Estates Elementary	20,000	79.61%
6.	Laguna Ridge East Elementary	11,460,000	99.34%
7.	Suncreek Middle/High Schools	112,000	39.24%
	Total	\$ 12,014,678	

ELK GROVE UNIFIED SCHOOL DISTRICT
Fiscal Services Department

2019-20 Developer Fee Report by Project and Fees

Project	Level I (per sq. ft.) 7/01/19 - 06/30/2020 \$3.36 Resource 9810	Level II (per sq. ft.) 7/01/19 - 06/30/2020 \$2.29 Resource 9811	Commercial/Sr. (per sq. ft.) 7/01/19 - 6/30/20 \$0.61 Resource 9813	Total	Percent of Total 19/20 Developer Fee Expenditures *	Percent of Total Project Funded by Developer Fees to Date**	Projected Start Date (for projects not started)	Projected or Actual Open Date (M/Y) ***
Interest	1,112,046			1,112,046				
Fees	12,555,687	7,091,108	311,403	19,958,198				
Other Local Income****	-	659	-	659				
Transfers*****	-	7,895,163	-	7,895,163				
Total 19-20 Income	13,667,733	14,986,931	311,403	28,966,067				
Beginning Balance	21,705,618	16,841,089	1,215,967	39,762,674				
Total Income	35,373,351	31,828,020	1,527,370	68,728,741				
Developer Fee Admin Costs	323,064			323,064	2.51%			
School Facilities Needs Assessment	5,950			5,950	0.03%			
Facilities Master Plan (FCA)	-			-	0.00%			
Enrollment Growth	10,823			10,823	0.09%			
Charter Schools	82,841			82,841	0.71%			
Crooked Creek Estates Elementary	20,000			20,000	0.17%	79.61%	Under Review	
Suncreek Middle/High School	112,000			112,000	0.96%	39.24%	Under Review	
Laguna Ridge East Elementary	-	11,460,000		11,460,000	98.02%	99.34%	04/2021	08/2022
Total Expenditures	554,678	11,460,000	-	12,014,678	100.00%			
Ending Balance	34,818,673	20,368,020	1,527,370	56,714,062				

* Admin Costs percentage calculated on fee revenue (Level I, including Comm/Sr.) Other cost percentages calculated on total expenditures less Admin Costs.

** Some projects are only funded for planning or until State funding is approved. Eventual developer fee share of total construction cost may be different.

***Dependent on available resources, particularly State funding.

**** Reverse posting for funds held per CMAS contract in FU35.

***** Transfer from Fund 35 of OPSC grant funds for Dillard Elementary.