

ELK GROVE UNIFIED SCHOOL DISTRICT

Annual and Five-Year Reportable Developer Fees

Report for Fiscal Year 2020/2021



November 16, 2021

Prepared by the Facilities Accounting
Department

TABLE OF CONTENTS

Section	Page
I. INTRODUCTION	
A. Background	2
B. Reporting Requirements	2
C. Use of Developer Fees	3
II. ANNUAL REPORT	
A. Description of the Type of Reportable Fees	4
B. Amount of Reportable Fees	4
C. Beginning and Ending Balance	5
D. Fees Collected and Interest Earned	5
E. Identification of Public Improvement	5
F. Description of Interfund Transfers	5
G. Amount of Refunds	5
III. FIVE-YEAR REPORT	
A. Identification the Purpose	6
B. Demonstration of a Reasonable Relationship	6
C. Funding to Complete Incomplete Projects	7
D. Project Funding Dates	7
<u>EXHIBITS</u>	
SCHEDULE A: Reportable Fee Expenditures for Fiscal Year 2020/2021	8

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, 2021 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 facility needs. TABLE 1 lists the fee amounts and effective dates for the applicable Statutory Fees for fiscal year 21.

TABLE 1

	04/21/2020 - Current
Level I (per sq. ft.)	\$4.08
	04/21/2020 – 08/10/2021*
Level II (per sq. ft.)	\$2.26
Total Residential	\$6.34
	06/20/2020 - Current
Commercial/Senior (per sq. ft.)	\$0.66

*On the August 10th, 2021 regularly scheduled board meeting, the board adopted a \$0.38 increase to Level II fees to bring the total residential fees to \$6.72 per square foot.

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, 2021, held in the Capital Facility Fund (Fund 25):

TABLE 2

Beginning Fund Balance as of July 1, 2020	\$56,714,062
Reportable Fees Collected	\$26,770,382
Interest Earned	\$428,518
Expenditures/Outgoing Transfers (Schedule A)	(\$67,052,633)
Unaudited Fund Balance as of June 30, 2021	\$16,860,329

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 period ending June 30, 2021, the District has accumulated sufficient funds to complete the Miwok Village Elementary School (formally known as Laguna Ridge East) project. Increment 1 of construction commenced on April 12, 2021 and increment 2 commenced on June 16, 2021.

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, line 4.

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, 2021, 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.

The following schools and other facilities have the potential for initial planning of construction within the next five years:

- Arbor Ranch Elementary
- Crooked Creek Estates Elementary
- Gerber Creek Elementary
- Mendes Elementary
- Souza Dairy Elementary
- Sunridge Park Elementary
- Vineyard Point Elementary
- Suncreek Middle School / High School
- Vineyard Area Middle School / High School
- Jesse Baker School Addition
- Student Support Center Addition
- Various Classroom Modifications/Additions to Accommodate Growth

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 School Facilities Needs Analysis).

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 (as outlined in Section III.A) 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, 2021

	Expenditures	Total Amount Paid from Reportable Fees (FY 2020/2021)	Percent of Total Cost Funded with Fees
1.	Fee Administration	258,848	100%
2.	School Facilities Needs Assessment	7,150	100%
3.	Charter Schools	91,867	100%
4.	Miwok Village Elementary (formerly known as Laguna Ridge East)	66,694,768	100%
	Total	\$ 67,052,633.15	