Residential Development School Fee Justification Study

Capistrano Unified School District

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Prepared For:
Capistrano Unified School District
33122 Valle Road
San Juan Capistrano, CA 92675
T 949.489.7000

Prepared By:
Dolinka Group, LLC
20 Pacifica, Suite 900
Irvine, CA 92618
T 949.250.8300
F 949.250.8301

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Executive Summary

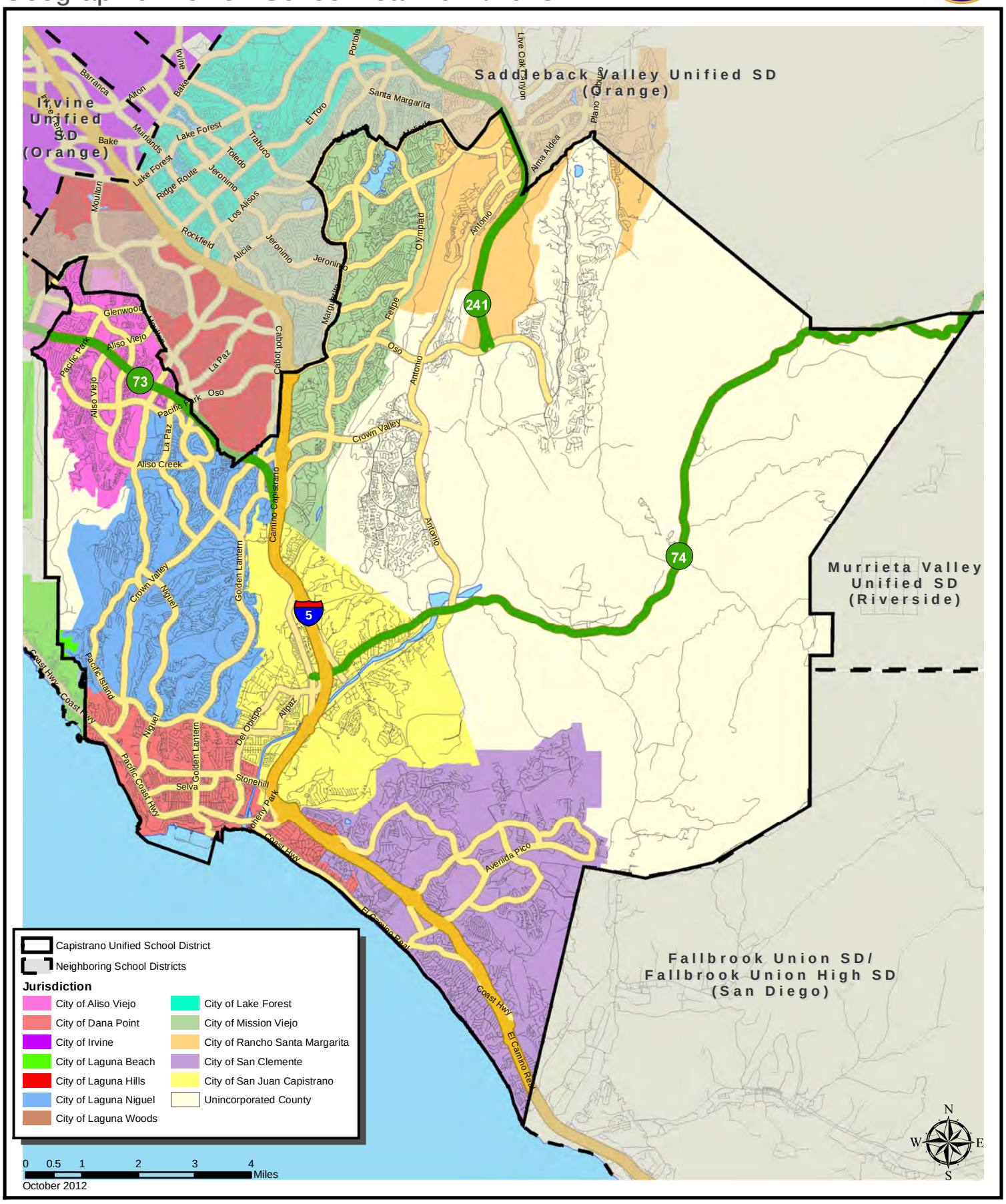
This Residential Development School Fee Justification Study ("Study") is intended to determine the extent to which a nexus can be established in Capistrano Unified School District ("School District") between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees ("School Fees") per residential building square foot that may be levied for schools pursuant to the provisions of Section 17620 of the Education Code, as well as Sections 65995 and 66001 of the Government Code.

The School District provides education to students in grades kindergarten through 12 residing within the cities of, Dana Point, Laguna Niguel, San Clemente and San Juan Capistrano, portions of the cities of Aliso Viejo, Mission Viejo and Rancho Santa Margarita (collectively, "Cities") and a portion of the unincorporated County of Orange ("County") (please see map on following page for a geographic profile of the School District). Collectively, the School District's school facilities in school year 2012/2013 have a capacity of 39,842 students per Section 17071.25 of the Education Code. Of these 39,842 seats, 22,624 are at the elementary school level (i.e., grades kindergarten through 6), 6,410 are at the middle school level (i.e., grades 7 and 8), and 10,808 are at the high school level (i.e., grades 9 through 12). (Please note that the school level configuration of the School District has been altered to be consistent with the SAB Form 50-02.) This capacity includes seats from all new school facility construction projects funded by the State of California ("State"), and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 which catalogs the classroom count as of 1999, and Exhibit B for an updated school facilities capacity calculation to include projects added after the SAB 50-02 Form was completed). Based on the most recent student enrollment information made publicly available by the California Departments of Education ("CDE"), student enrollment was 51,504 in school year 2011/2012 (this enrollment does not include charter schools that do not occupy physical school facilities of the School District). Comparing student enrollment to facilities capacity reveals that student enrollment exceeds facilities capacity at all school levels (please see Section IV for more information on student enrollment and facilities capacity).

To establish a nexus and a justifiable residential School Fee level, the Study evaluated the number and cost of new facilities required to house students generated from future residential development within the School District. Based on data provided by the Cities, the County, and the Southern California Association of Governments ("SCAG"), approximately 9,766 additional residential units could be constructed within the School District's boundaries through calendar year 2035. Of these 9,766 units, 933 single family detached ("SFD") units and 322 multi-family attached ("MFA") units have mitigated their impact on the School District through the execution of a mitigation agreement ("Mitigation Agreement") wherein units pay mutually agreed negotiated construction mitigation payments ("Mitigation Payments") and do not pay School Fees. Of the remaining 8,511 future residential units that have not mitigated their impacts on the School District, 6,510 are expected to be SFD units while 2,001 are expected to be MFA units. (Please note that these projections do not include residential units designated as senior citizen housing as specified by Government Code Section 65995.1.) Furthermore, some of these future residential units will be constructed in the place of demolished residential units ("Reconstruction"). Based on information from the California Department of Finance ("DOF") for the Cities and the County, Dolinka Group, LLC ("Dolinka Group") estimates approximately 378 SFD units and 28 MFA units could be demolished to make room for Reconstruction through calendar year 2035.

Capistrano Unified School District

Geographic Profile - School Year 2012/2013



DOLINKA GROUP

To determine the impact on the School District from non-mitigated future residential units less Reconstruction ("Net Future Units"), the Study first multiplied the number of non-mitigated future residential units by the student generation factors ("SGFs") calculated by Dolinka Group, to determine the projected student enrollment from non-mitigated future residential units. The Study then subtracted from that the number of students estimated to be generated by demolished residential units by multiplying the projected demolished units by the SGFs.

The results were that 1,524 elementary school students, 793 middle school students, and 1,059 high school students are anticipated to be generated from non-mitigated future residential units. These numbers include a reduction of the number of students projected to be generated from the estimated number of residential units anticipated to be demolished, as well as existing excess seats, if any ("Net Projected Student Enrollment").

To adequately house the Net Projected Student Enrollment, the School District will need to construct new elementary school, middle school, and high school facilities. Using design capacities of 750 students per classroom at the elementary school level, 1,200 students per classroom at the middle school level, and 2,400 students per classroom at the high school level, the School District will need to construct at least two (2) new elementary schools, one (1) new middle school and one (1) new high school to accommodate the Net Projected Student Enrollment from the non-mitigated future residential units projected to be constructed at this time. Based on school facility cost estimates provided by the School District based on analyses of construction costs and land values, a new elementary school is projected to cost $39,348,214, a new middle school is projected to cost $81,578,571, and a new high school is projected to cost $200,490,000.

In addition to the school facilities cost impacts, the School District will experience Central Administrative and Support Facilities cost impacts. In January 1994, the State Allocation Board ("SAB") approved a policy of four (4) square feet of Central Administrative and Support Facilities per student, which based on School District cost estimates equates to a per-student cost of $800. Multiplying these costs by the facilities needed and the students generated yielded the total school facilities cost impacts shown in Table ES-1.

Table ES-1
Total School Facilities Cost Impacts

School Level	Cost per Facility/Student	Facilities Required/Students Generated	Total School Facilities Cost Impacts
Elementary School	$39,348,214	2.0320	$79,955,571
Middle School	$81,578,571	0.6608	$53,907,120
High School	$200,490,000	0.4413	$88,476,237
Central Admin. Impacts	$800	3,376	$2,700,800
Total	**N/A**	**N/A**	**$225,039,728**

The amounts listed in Table ES-1 were first adjusted based on potential proceeds available to the School District to offset the school facilities cost impacts, and then apportioned to each land use class based on the number of students generated from such residential land use. Thereafter, the school facilities cost impacts for each land use class were divided by the number of non-mitigated future residential units to calculate the school facilities cost impacts per residential unit. Table ES-2 below lists the school facilities cost impacts per residential unit.

Table ES-2
School Facilities Cost Impacts per Residential Unit

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Residential Units	School Facilities Cost Impacts per Residential Unit
Single Family Detached	$170,409,271	6,510	$26,177
Multi-family Attached	$54,630,457	2,001	$27,302

To determine the school facilities cost impacts per square foot of residential construction, the school facilities cost impacts per unit were divided by the average square footage of a residential unit in each land use class. Table ES-3 lists the school facilities cost impacts per average residential square foot.

Table ES-3
School Facilities Cost Impacts per Residential Square Foot

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Residential Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
Single Family Detached	$26,177	3,000	$8.73
Multi-family Attached	$27,302	2,096	$13.03

On January 25, 2012, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from $2.97 to $3.20 per residential building square foot for unified school districts. Based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of $3.20 per square foot for all new non-mitigated future residential development within its boundaries, including Reconstruction.

I. Introduction

Senate Bill ("SB") 50, which Governor Wilson signed on August 27, 1998, was enacted on November 4, 1998, following the approval of Proposition 1A by the voters of the State in the general election on November 3, 1998. SB 50 includes provisions for the following:

1. Issuance of State general obligation bonds in an amount not to exceed $9.2 billion;

2. Reformation of the State School Building Program; and

3. Reformation of the School Fee mitigation payment collection procedure.

Additionally, Assembly Bill ("AB") 16, which Governor Davis signed on April 26, 2002, was enacted following the approval of Proposition 47 ("Prop 47") by the voters of the State in the general election on November 5, 2002. Prop 47 includes the authorization for issuance of State general obligation bonds in the amount of $13.05 billion, and AB 16 provides for additional reformation of the State School Building Program into the School Facilities Program. On March 2, 2004, the voters of the State approved Proposition 55 ("Prop 55"). Prop 55 includes the authorization for the additional issuance of State general obligation bonds in the amount of $12.3 billion. Finally AB 127, which Governor Schwarzenegger signed on May 20, 2006, was enacted following the approval of Proposition 1D ("Prop 1D") by the voters of the State in the general election of November 7, 2006. Prop 1D includes the authorization for the issuance of State general obligation bonds in the amount of $10.4 billion.

The Mira-Hart-Murrieta Decisions, which formerly permitted school districts to collect mitigation payments in excess of School Fees under certain circumstances, are suspended by AB 127 until 2012. In lieu of the powers granted by the Mira-Hart-Murrieta Decisions, SB 50 and subsequent legislation provide school districts with a reformed School Fee collection procedure that, subject to certain conditions, authorizes school districts to collect Alternative Fees on residential developments. However, not all school districts will qualify to charge Alternative Fees, and Alternative Fees are generally not imposed upon residential units that have existing agreements with a school district.

Therefore, school districts must still rely on School Fees as a funding source for school facilities required by new development. However, before a school district can levy School Fees on new development, State law requires that certain nexus findings must be made and documented. The objective of this Study is to provide a rigorous basis for such findings.

II. Legislation

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 are summarized below:

A. 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 of enclosed residential floor space and $0.25 per square foot of enclosed commercial/industrial floor space.

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.

B. 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. Provide an annual and five-year accounting in the manner required by subsequently amended Sections 66001 and 66006 of the Government Code.

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, in part, the findings of *Shapell Industries vs. Milpitas Unified School District*.) The Study will provide information necessary to establish such a nexus between (i) School Fees and residential development and (ii) School Fees and Reconstruction.

III. Methodology of Study

The School District is projecting an increase in student enrollment attributable to new residential development in future years. This projected growth will create a demand for new school facilities to be constructed within the School District and the need to incur school facilities costs to meet that demand. As a result, the School District has determined that School Fees should be levied on new development projects. In particular, the School District has determined that School Fees must be levied on new residential projects, if findings can be made that such projects will lead to higher student enrollment and increased school facilities costs. The objective of the Study is to provide a basis for such findings consistent with the requirements of AB 2926, AB 1600, and the provisions of Section 66001 of the Government Code.

A. Overview of Methodology

In order to evaluate the existence of a nexus, the Study identifies and analyzes the various connections or linkages between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of School Fees that can justifiably be levied. The primary linkages identified include the following:

1. Housing projections (i.e., the projected number of residential units to be constructed within the School District);

2. Student generation (i.e., the number of students generated from a residential unit within the School District);

3. Facility requirements (i.e., the number of new school facilities required to house students generated from new residential units);

4. School facilities cost impacts (i.e., the costs to the School District associated with the construction of new school facilities);

5. School Fee requirements (i.e., the School District's need to levy School Fees to cover the cost of new school facilities); and

6. Reconstruction (i.e., potential number of residential units to be demolished and reconstructed within the School District).

The above linkages result in a series of impacts which (i) connect new residential development with increased school facilities costs and (ii) connect School Fees per residential building square foot with increased facilities costs. These impacts are identified for two (2) residential land uses; SFD units and MFA units (e.g., condominiums, apartments, townhomes, duplexes, etc.). These "linkage impacts" include four (4) major types:

1. Residential Unit Projections
2. Student Generation Factors
3. School Facilities Cost Impacts
4. Maximum School Fee Revenues

B. Residential Unit Projections

The number of future residential units to be constructed within the boundaries of the School District was determined based on information provided by the Cities, the County, and SCAG. (Please note that these projections do not include residential units designated as senior citizen housing as specified by Government Code Section 65995.1.)

C. Student Generation Factors

SGFs by school level (e.g., elementary school, middle school, and high school) for each of the residential land use categories were calculated by Dolinka Group. Dolinka Group calculated SGFs for the School District through an analysis which consisted of cross-referencing the School District's actual enrollment data against residential data from the Office of the Assessor for the County ("County Assessor").

D. School Facilities Cost Impacts

School facilities cost impacts were calculated by determining the additional elementary school, middle school, and high school facilities needed to adequately house students generated from future residential units and the total cost for those school facilities. School facilities costs are based on estimates provided by the School District based on analyses of construction costs and land values and are attached and incorporated herein as Exhibit C.

E. Maximum School Fee Revenues

Maximum School Fee revenues for residential development were based on the current maximum residential School Fee authorized by the SAB (currently $3.20 per square foot) under AB 2926.

F. Comparison of School Facilities Cost Impacts and Maximum School Fee Revenues

If school facilities cost impacts per residential square foot are greater than maximum School Fee revenues, then the levy of the maximum residential School Fee is justified to cover as much of school facilities cost impacts per residential square foot as possible. Should school facilities cost impacts per residential square foot be less than maximum School Fee revenues, then only a School Fee equivalent to the school facilities cost impacts per residential square foot can be justified to cover facilities needs generated by future residential development. Under this latter circumstance, the School District would not be justified in imposing the maximum residential School Fee per square foot.

G. Consideration of Reconstruction

The Study also examines the extent to which Reconstruction impacts the school facilities of the School District. The Study estimates the potential number of residential units that could be demolished in order to be replaced by new residential development. The Study then identifies the net student enrollment impacts by subtracting the estimated student enrollment from demolished units from the total projected student enrollment. The net student impacts that result are utilized to determine whether the School District is justified in imposing the maximum School Fee per square foot on Reconstruction.

IV. Facilities Capacity and Student Enrollment

In order to determine whether the School District's existing school facilities contain excess capacity to house students generated by new residential development, school year 2012/2013 student enrollment and school facilities capacity of the School District were evaluated.

Collectively, the School District's school facilities in school year 2012/2013 have a capacity of 39,842 students per Section 17071.25 of the Education Code. This capacity includes seats from all new school facility construction projects funded by the State and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 which catalogs the classroom count as of 1999, and Exhibit B for an updated school facilities capacity calculation to include projects added after the SAB 50-02 Form was completed). Of these 39,842 existing seats, 22,642 are at the elementary school level, 6,410 are at the middle school level, and 10,808 are at the high school level. (The school level configuration of the School District has been altered to be consistent with the SAB Form 50-02.) Based on the most recent student enrollment information made publicly available by the CDE, student enrollment was 51,504 in school year 2011/2012 (this enrollment does not include charter schools which do not occupy physical school facilities of the School District). As shown in Table 1 below, the School District's student enrollment exceeds facilities capacity at all school.

Table 1
Existing School Facilities Capacity and Student Enrollment

School Level[1]	2012/2013 Facilities Capacity[2]	2011/2012 Student Enrollment[3]	Excess/ (Shortage) Capacity
Elementary School (Grades K-6)	22,624	27,172	(4,548)
Middle School (Grades 7-8)	6,410	8,096	(1,686)
High School (Grades 9-12)	10,808	16,236	(5,428)
Total	**39,842**	**51,504**	**(11,662)**

[1] The School District's school level configuration has been altered to be consistent with SAB Form 50-02.
[2] SAB Form 50-02 (Exhibit A) plus additional State funded capacity and teaching stations purchased by the School District (Exhibit B).
[3] Most recent student enrollment information made publicly available by the CDE.

V. Impact of Residential Development on School Facilities Needs

As discussed in Section III, the objective of the Study is to determine the appropriateness of the imposition of a School Fee on residential property to finance school facilities necessitated by students to be generated from new residential development. Section III outlined the methodology which was employed in the Study to meet that objective. Section V is a step-by-step presentation of the results of the analysis.

A. Projected Residential Development within the School District

The initial step in developing a nexus as required by AB 2926 and AB 1600 is to determine the number of future residential units to be constructed within the School District's boundaries. Based on information provided by the Cities, the County, and SCAG, Dolinka Group has estimated that the School District could experience the construction of approximately 9,766 future residential units through calendar year 2035. Of these future residential units, 933 SFD units and 322 MFA units have already mitigated their impacts on the School District through the execution of a Mitigation Agreement wherein such units pay mutually agreed negotiated Mitigation Payments and do not pay School Fees. Of the remaining 8,511 future residential units that have not mitigated their impacts on the School District, 6,510 are expected to be SFD units while 2,001 are expected to be MFA units. (Please note that these projections do not include residential units designated as senior citizen housing as specified by Government Code Section 65995.1.) Table 2 distinguishes between mitigated and non-mitigated future residential units by land use.

Table 2
Future Residential Units

Land Use	Mitigated Future Residential Units	Non-Mitigated Future Residential Units	Future Residential Units
Single Family Detached	933	6,510	7,443
Multi-family Attached	322	2,001	2,323
Total Units	**1,255**	**8,511**	**9,766**

B. Estimated Reconstruction

To develop a nexus between Reconstruction and School Fees, Dolinka Group identified the number of potential residential units that could be demolished in order to be replaced by new residential development. Estimates of the number of residential units that could be demolished by calendar year 2035 within the School District were based on historical information provided by DOF for the Cities and the County. Specifically, 378 SFD units and 28 MFA units are projected to be demolished by calendar year 2035, as shown below in Table 3.

Table 3
Demolished Residential Units

Land Use	Estimated Number of Units to be Demolished
Single Family Detached	378
Multi-family Attached	28
Total Units	**406**

The voluntary demolition of existing commercial/industrial buildings and replacement of them with new residential development is a different category of Reconstruction. Dolinka Group is aware that such types of Reconstruction may occur within the School District in the future, however, Dolinka Group was unable to find information (i) about the amount planned within the School District in the future or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the School District has decided to 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.

C. Student Generation Factors per Residential Unit

In order to analyze the impact on the School District's student enrollment from non-mitigated future residential units, Dolinka Group calculated SGFs for SFD and MFA units. The process of determining SGFs involved cross-referencing the School District's enrollment data against the County Assessor residential data.

Sorting and extracting the County Assessor records by land use, Dolinka Group developed a database of 84,672 SFD units. This database was then compared with the School District's student enrollment database to identify address matches. Upon comparison of the two (2) databases, 34,363 student matches were found, resulting in the SGFs shown in Table 4.

Table 4
Student Generation Factors for Single Family Detached Units

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School (Grades K-5)	14,811	84,672	0.1749
Middle School (Grades 6-8)	8,351	84,672	0.0986
High School (Grades 9-12)	11,201	84,672	0.1323
Total	**34,363**	**N/A**	**0.4058**

A procedure identical to the one used in calculating the SGFs for SFD units was used to determine SGFs for MFA units. A total of 16,533 students matched to the MFA database which consisted of 39,642 units. The resulting SGFs for MFA units are shown in Table 5 below.

Table 5
Student Generation Factors for Multi-family Attached Units

School Level	Students Matched	Multi-family Attached Units	Student Generation Factors
Elementary School	8,498	39,642	0.2144
Middle School	3,470	39,642	0.0875
High School	4,565	39,642	0.1152
Total	**16,533**	**N/A**	**0.4171**

However, due to incomplete and incorrect address information in both the student enrollment and residential databases, Dolinka Group was unable to match all of the School District's students. The results are SGFs that understate the number of students generated by SFD and MFA units. After accounting for incoming inter-district students that reside outside of the School District's boundaries, there were 980 unmatched students. Therefore, Dolinka Group adjusted the SGFs listed in Tables 4 and 5 based on a rate which considers the number of students successfully matched to a school level and land use. The adjusted SGFs for each land use by school level are shown in Table 6.

Table 6
Adjusted Student Generation Factors

School Level	Single Family Detached Units	Multi-family Attached Units
Elementary School	0.1782	0.2184
Middle School	0.1006	0.0893
High School	0.1348	0.1173
Total	**0.4136**	**0.4250**

It should be noted that the SGFs shown in Table 6 are representative of all residential units located within the School District regardless of when such units were built. However, it has been documented by the School District that newly constructed residential units tend to be occupied by families with school aged children at higher rates than shown above and that the SGFs shown in Table 6 likely understate the potential impact of future residential units.

D. School District Facilities Requirements

By multiplying the non-mitigated future residential units and the estimated number of residential units to be demolished as listed in Tables 2 and 3 respectively, by the SGFs identified in Table 6, the Study determined (i) the projected number of new students to be generated from non-mitigated future residential units, (ii) the number of students projected to be generated from Reconstruction, and (iii) the Net Projected Student Enrollment from Net Future Units. The Net Projected Student Enrollment by school level is shown in Table 7.

Table 7
Net Projected Student Enrollment from Net Future Units

School Level	Projected Student Enrollment from Non-Mitigated Future Residential Units	Estimated Student Enrollment from Reconstruction	Net Projected Student Enrollment
Elementary School	1,597	73	1,524
Middle School	834	41	793
High School	1,113	54	1,059
Total	**3,544**	**168**	**3,376**

To determine the number of elementary school, middle school, and high school facilities necessary to adequately house the Net Projected Student Enrollment, Dolinka Group divided the Net Projected Student Enrollment by the estimated school facilities capacity at each school level, as provided by the School District. The additional school facilities requirements are identified in Table 8.

Table 8
Additional School Facilities for Net Projected Student Enrollment

School Level	Net Projected Student Enrollment	Estimated Facilities Capacity	Additional Facilities Needed
Elementary School	1,524	750	2.0320
Middle School	793	1,200	0.6608
High School	1,059	2,400	0.4413

E. School District Facilities Costs

School facilities cost estimates at the elementary school, middle school, and high school levels were provided by the School District based on analyses of construction costs and land values. The school facilities costs represent the full cost of site acquisition, site development, construction, furniture and equipment, as well as technology. It must be noted that the facilities costs are in 2013 dollars and do not include interest costs associated with debt incurred to finance the construction of facilities. The estimated site acquisition and facility construction costs by school level are shown in Table 9 while the school facilities construction cost components are listed in Exhibit C.

Table 9
Estimated School Facilities Costs

School Level	Site Acquisition Costs	Facility Construction Costs	Estimated Total Cost per Facility
Elementary School	$20,700,000	$18,648,214	$39,348,214
Middle School	$34,650,000	$46,928,571	$81,578,571
High School	$79,050,000	$121,440,000	$200,490,000

The costs in Table 9 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 7, Net Future Units will cause the enrollment of the School District to increase by approximately 3,376 students. In accordance with the Provisions of Chapter 341, Statutes of 1992, SB 1612, the SAB adopted a report on January 26, 1994, requiring approximately four (4) square feet of central administrative and support facilities for every student. Based on this report and the estimated cost per square foot to construct and furnish these types of facilities, the Study incorporates a Central Administrative and Support Facilities cost impact of $800 per student.

F. Total School Facilities Cost Impacts

To determine the total school facilities cost impacts caused by non-mitigated future residential units, Dolinka Group (i) multiplied the school facilities costs (Table 10) by the additional school facilities needed (Table 9) and (ii) multiplied the central administrative and support facilities costs per student (above paragraph) by the projected unhoused students from Net Future Units. Table 10 illustrates the total school facilities cost impacts from non-mitigated future residential development.

Table 10
Total School Facilities Cost Impacts from
Non-Mitigated Future Residential Units

Item	Cost per Facility/Student	Facilities Required/Students Generated	Total School Facilities Cost Impacts
Elementary School	$39,348,214	2.0320	$79,955,571
Middle School	$81,578,571	0.6608	$53,907,120
High School	$200,490,000	0.4413	$88,476,237
Central Admin. Impacts	$800	3,376	$2,700,800
Total	**N/A**	**N/A**	**$225,039,728**

G. School Facilities Cost Impacts per Residential Unit

To determine the total school facilities cost impacts per non-mitigated future residential unit, the total school facilities cost impacts listed above need to first be apportioned by land use based on the number of elementary, middle, and high school students to be generated from such land use. Table 11 shows total school facilities cost impacts by land use.

Table 11
Total School Facilities Cost Impacts by Land Use

School Level	Single Family Detached Units	Multi-family Attached Units	Total School Facilities Cost Impacts
Elementary School	$58,217,864	$22,956,907	$81,174,771
Middle School	$42,436,466	$12,105,054	$54,541,520
High School	$69,754,941	$19,568,496	$89,323,437
Total	**$170,409,271**	**$54,630,457**	**$225,039,728**

Total school facilities cost impacts for each land use were then divided by the number of non-mitigated future residential units in such land use to determine school facilities cost impacts per SFD unit and MFA unit. These impacts are shown in Table 12.

Table 12
School Facilities Cost Impacts per Non-Mitigated Future Residential Unit

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Residential Units	School Facilities Cost Impacts per Residential Unit
Single Family Detached	$170,409,271	6,510	$26,177
Multi-family Attached	$54,630,457	2,001	$27,302

H. School Facilities Cost Impacts per Square Foot

To determine the school facilities cost impacts per square foot of residential construction for each land use, the school facilities cost impacts per unit listed in Table 12 were divided by the average square footage of assessable space of such type of residential units. Using information obtained from the Cities and County, Dolinka Group estimates that the average square footage of an SFD unit in the School District is projected to be 3,000 square feet while the average square footage of an MFA unit is projected to be 2,096 square feet. Table 13 shows the school facilities cost impacts per square foot of residential construction in the School District.

Table 13
School Facilities Cost Impacts per Residential Square Foot

Land Use	School Facilities Cost Impacts per Non-Mitigated Residential Unit	Average Square Footage	School Facilities Cost Impacts per Square Foot
Single Family Detached	$26,177	3,000	$8.73
Multi-family Attached	$27,302	2,096	$13.03

I. Comparison of School Facilities Cost Impacts and School Fee Revenues per Residential Square Foot

On January 25, 2012, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from $2.97 to $3.20 per residential building square foot for unified school districts. Based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of $3.20 per square foot for all new non-mitigated future residential development within its boundaries, including Reconstruction.

S:\Clients\Capistrano Unified SD\Demographics\Fee Studies\SY1213\Reports\Final\FSRes_12110-3601_Fn.doc

Exhibit A

Current SAB Form 50-02

STATE OF CALIFORNIA
EXISTING SCHOOL BUILDING CAPACITY
SAB 50-02 (Rev. 09/02) Excel (Rev. 11/21/2002)

STATE ALLOCATION BOARD
OFFICE OF PUBLIC SCHOOL CONSTRUCTION

SCHOOL DISTRICT: CAPISTRANO UNIFIED

FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory): 66464

AREA: ANGE

HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (if applicable):

PART I - Classroom Inventory ☐ NEW ☐ ADJUSTED

	[redacted]	7-8	9-12	Non-Severe	[redacted]	[redacted]
Line 1. Leased State Relocatable Classrooms	115	16	25	15		171
Line 2. Portable Classrooms leased less than 5 years						
Line 3. Interim Housing Portables leased less than 5 years						
Line 4. Interim Housing Portables leased at least 5 years						
Line 5. Portable Classrooms leased at least 5 years						
Line 6. Portable Classrooms owned by district	360	114	196	20		690
Line 7. Permanent Classrooms	444	132	225	20		821
Line 8. Total (Lines 1 through 7)	919	262	446	55		1,682

PART II - Available Classrooms

Option A	[redacted]	7-8	9-12	Non-Severe	[redacted]	[redacted]
a. Part I, line 4						
b. Part I, line 5						
c. Part I, line 6	360	114	196	20		690
d. Part I, line 7	444	132	225	20		821
e. Total (a, b, c, & d)	804	246	421	40		1,511

Option B	K-6	7-8	9-12	Non-Severe	Severe	Total
a. Part I, line 8	919	262	446	55		1,682
b. Part I, lines 1,2,5 and 6 (total only)	[redacted]					861
c. 25 percent of Part I, line 7 (total only)						206
d. Subtract c from b (enter 0 if negative)	361	99	168	27		655
e. Total (a minus d)	558	163	278	28		1,027

PART III - Determination of Existing School Building Capacity

	K-6	7-8	9-12	Non-Severe	Severe
Line 1. Classroom capacity	13,850	4,401	7,506	364	
Line 2. SER adjustment	452	142	243	12	
Line 3. Operational Grants					
Line 4. Greater of line 2 or 3	452	142	243	12	
Line 5. Total of lines 1 and 4	14,402	4,543	7,749	376	

I certify, as the District Representative, that the information reported on this form is true and correct and that:
I am designated as an authorized district representative by the governing board of the district; and,
This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC).
In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE: David A. Doomy

DATE: 4-7-03

Exhibit B

Updated School Facilities Capacity Calculation

Capistrano Unified School District
School Facilities Capacity Calculation

Application	Item	Elementary School	Middle School	High School
N/A	SAB Form 50-02	14,402	4,543	7,749
N/A	Non-Severe/Severe Capacity	202	58	116
N/A	Relocatables Added - 2005	75	54	162
N/A	Relocatables Added - 2006	125	0	135
N/A	Relocatables Added - 2007	75	108	0
50/66464-00-001	Las Flores - Addition	150	0	0
50/66464-00-002	Rancho Santa Margarita	600	0	0
50/66464-00-003	Marblehead Elementary	900	0	0
50/66464-00-004	Don Juan Avila	250	0	0
50/66464-00-005	Ladera Project #1	775	0	0
50/66464-00-006	Shorecliffs Middle	0	81	0
50/66464-00-007	New Aliso Viejo	750	0	0
50/66464-00-008	Ladera Ranch School	1,000	756	0
50/66464-00-009	Laguna Niguel Elementary	775	0	0
50/66464-00-010	Vista Del Mar	850	648	0
50/66464-00-011	Oso Grande	725	0	0
50/66464-00-012	San Juan Hills High	0	0	2,646
50/66464-00-013	Arroyo Vista	245	0	0
50/66464-00-014	Ambuehl Elementary	175	0	0
50/66464-00-015	Arroyo Vista	400	54	0
50/66464-00-016	Arroyo Vista	50	0	0
50/66464-00-017	Carl Hankey Elementary	100	108	0
Total Capacity	**N/A**	**22,624**	**6,410**	**10,808**

Exhibit C

Updated School Facilities Cost Estimates

Capistrano Unified School District
Summary of Estimated Costs
February 2013

Total Facilities Costs

Item	Elementary School	Middle School	High School
Capacity	750	1,200	2,400
Site Costs			
Acres	13.8	23.1	52.7
Cost/Acres	$1,500,000	$1,500,000	$1,500,000
Total Site Costs	**$20,700,000**	**$34,650,000**	**$79,050,000**
Construction Costs			
Square Feet Per Student	59	73	92
Total Square Feet	44,250	87,600	220,800
Hard Cost Per Square Foot	$295	$375	$385
Total Hard Costs	$13,053,750	$32,850,000	$85,008,000
Soft Costs @ 30%	$5,594,464	$14,078,571	$36,432,000
Total Construction Costs	**$18,648,214**	**$46,928,571**	**$121,440,000**
Total Facilities Costs	**$39,348,214**	**$81,578,571**	**$200,490,000**
Cost per Student	$52,464	$67,982	$83,538