

# **Nevada Joint Union High School District**



## **DEVELOPER FEE JUSTIFICATION DOCUMENT FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL DEVELOPMENT PROJECTS – LEVEL 1**

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**June 2022**

# Nevada Joint Union School District

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## FOREWORD

This “Developer Fee Justification Document” is an update of a prior document dated January 2020 prepared for the Nevada Joint Union High School District (“District” or “NJUHSD”). It has been prepared to incorporate data obtained since January 2020, such as changes made to California law and State Allocation Board (SAB) regulations, updated residential development data, State Allocation Board (SAB) construction grant allowance per student for School Facilities Program (SFP) projects and inflationary increases in construction costs.

Government code stipulates that the maximum fees that can be imposed on a development be adjusted every two years in even numbered years by the change in the Class B Construction Cost Index (CCI), as determined by the SAB at its January meeting. On January 22, 2020, the SAB increased the legal maximum Level 1 developer fees to \$4.79 per square foot on residential construction and to \$0.66 per square foot on commercial/industrial construction based on a 7.64 percent inflationary factor reported in the RS Means Construction Cost Index for the two-year period from January 2018 to January 2020. On February 23, 2022, the SAB increased Level 1 fees to \$4.79 per square foot on residential construction and to \$0.78 per square foot on commercial/industrial construction based on a 17.45 percent inflationary factor reported in the RS Means Construction Cost Index for the two-year period from January 2020 to January 2022.

The State School Facility Program (SFP) grant allowances are adjusted annually in accordance with SFP regulations which require the SAB to adjust new construction and modernization grants to reflect cost changes in the Class B Construction Cost Index as determined by the SAB in January of each year. On January 22, 2020, the SAB increased the SFP grants to reflect a 2.08 percent increase during the period January 1, 2019 through December 31, 2019 using the RS Means Class B Construction Cost Index. On February 23, 2022, the SAB adjusted the SFP grants to reflect a 15.80 percent increase during the period January 1, 2021 through December 31, 2021 using the RS Means Class B Construction Cost Index.



Total School Solutions  
June 2022

## EXECUTIVE SUMMARY

The Nevada Union Joint High School District (“District” or “NJUHSD”) is justified to collect the legal maximum fee of \$4.79 per square foot of residential development as authorized by Government Code Section 65995 (Level 1 fees), as new construction and modernization eligibility create a school facility cost that exceeds \$4.79 per square foot. The District is also justified to collect the legal maximum fee of \$0.78 per square foot of development on all categories of commercial/industrial development (except rental self-storage), as those categories of development create school facility costs that exceed \$0.78 per square foot of future development. Fees for new rental self-storage should be established on an individual case-by-case basis.

The District’s justification for collecting fees on future residential and commercial/industrial development is based on the following facts and projections:

1. The District’s new construction facility needs and modernization eligibility under the state School Facility Program will require the District to meet the match requirement, assuming that the state has available funds and approves the District’s applications. The District does not have sufficient funds to meet the match requirement.
2. Each square foot of future residential development creates an estimated school facilities cost that exceeds \$4.79 per square foot. All categories of commercial/industrial development (except rental self-storage) create an estimated school facilities cost that exceeds \$0.78 per square foot of commercial/industrial development.
3. If the District collects the current maximum fee on residential development authorized by Government Code Section 65995 of \$4.79 per square foot, fee revenue will only partially offset school facility costs to provide adequate school facilities. If the District collects the current maximum fee on commercial/industrial development authorized by Government Code Section 65995 of \$0.78 per square foot, fee revenue will offset a small portion of the school facility cost attributable to commercial/industrial development (except rental self-storage). For both residential and commercial/industrial development, the fees authorized by Government Code Section 65995 are fully justified.

The fees outlined above all meet the requirements of Government Code Section 66001 (the nexus requirements), that is, a reasonable relationship exists between the amount and use of the fees and the developments on which they are charged.

## INTRODUCTION

This report analyzes the cost of providing school facilities for students generated by future residential and commercial/industrial development projects in the Nevada Union Joint High School District (“District” or “NJUHSD”). Total School Solutions has been retained by the District to conduct the analysis and prepare this report.

### A. Purpose and Scope

The purpose of this report is to show that the District meets pertinent requirements of state law regarding the collection of developer fees.

State law gives school districts the authority to charge fees on new residential and commercial/industrial developments to provide adequate school facilities for its students. Government Code Section 65995 authorizes school districts to collect fees on future development of no more than \$4.79 per square foot for residential construction and \$0.78 for commercial/industrial construction (Level 1 fees). Level 1 fees are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. Government Code Section 66001 requires that a reasonable relationship exist between the amount and use of the fees and the development on which the fees are to be charged.

### B. Brief Description of the Nevada Joint Union High School District

The NJUHSD, which serves Nevada County students in grades 9 through 12 from eight feeder elementary school districts (ESD), is located in northern California about 60 miles northeast of Sacramento. Nevada County has eight elementary/middle school districts feeding into the high schools, which provide secondary education to 2,492 students based on available California Department of Education data.

Feeder ESD	Grades	Enrollment SY22
Chicago Park ESD	K-8	124
Clear Creek ESD	K-8	149
Grass Valley ESD	K-8	1,117
Nevada City ESD	K-8	665
Penn Valley ESD	K-8	520
Pleasant Ridge ESD	K-8	1,122
Twin Ridges ESD	K-8	93
Union Hill ESD	K-8	146
<i>Subtotal K-8</i>		<i>3,936</i>
<b>NJUHSD</b>	<b>9-12</b>	<b>2,492</b>
Total NJUHSD and Feeder ESDs	K-12	6,428
Nevada County Office of Education		59
<b><i>Nevada County Total</i></b>		<b><i>6,487</i></b>

## I. DISTRICT FACILITY NEEDS

This section describes the District's requirements for school facilities.

### A. Facilities Master Plan (FMP)

In 2016, the District prepared a Facilities Improvement Plan (FIP) that documented the following facilities needs as reported on the District's Facilities Department website:

Site	#Items	Est. Construction Costs
Bear River High School	27	\$22,234,291
Nevada Union High School	42	\$20,424,857
Silver Springs High School	8	\$3,065,191
McCourtney Road Adult Center	7	\$3,885,670
<b>Total Construction Costs</b>		<b>\$49,610,009</b>

To calculate total project costs, soft costs (architects, engineers, inspection, tests, planning fees, etc.), contingencies, and construction escalation must be added to the estimated construction costs as follows:

Soft Costs (30%)	\$14,883,002
Contingencies (25%)	\$12,402,502
Escalation Costs (Currently 15.8%) <sup>1</sup>	\$9,922,002
Total Other Costs	\$37,207,506
<b>Total Project Costs</b>	<b>\$86,817,515</b>

<sup>1</sup>Source: <https://www.dgs.ca.gov/OPSC>.

In 2021, the NJUHSD published an RFP for Facilities Master Planning services with the intent that, "qualified consultants that can help with the planning, development and related work associated with a Long-Range Facilities Master Plan". The Scope of Services includes: meeting with the FMP Committee, developing a needs assessment, evaluating current facilities, developing future facilities needs and alternatives, demographics and enrollment projections, capacity and utilization study determination of eligibility for state funding, facilities equity study, educational and maintenance specification, cost estimates, preparing and presenting the FMP to the FMP Committee and Board of Trustees. RFPs were due on May 24, 2021. As of this writing, the FMP is still in process.

### B. Measure B

To partially meet the \$86.8 million facility needs documented in the FIP plus other costs, the District's voters passed Measure B, a \$47 million Proposition 39 bond measure on November 8, 2016. The ballot language that appeared on the ballot stated:

"Local High School Repair/ School Safety Measure. To upgrade/improve local high schools and retain/attract quality teachers by repairing classrooms/ leaky roofs, updating facilities for career/technical education jobs in science, technology, engineering/math, ensuring safe drinking water/fire safety, replacing deteriorating sewer/gas lines, repairing, constructing, equipping/acquiring education facilities, shall Nevada Joint Union High

School District issue \$47,000,000 in bonds, at legal rates, require independent audits, citizens' oversight, no money for administrators' salaries/ pensions, all funds used locally?"

### C. District Facilities Needs

The District's facilities need and associated costs consider two categories, as follows:

- Needs Identified in the FIP
- Modernization/Renovation

The need and estimated costs for each category are discussed below.

#### *Facilities Improvement Plan*

The total project costs calculated from the FIP and the partial funding from Measure B resulted in the following unmet need:

Total FIP Project Cost	\$86,817,515
Less: Measure B Funds	\$47,000,000
<b>Unmet Facilities Need</b>	<b>\$39,815,515</b>

Amount attributable to five-year residential construction at 6% would be \$2,388,931

#### *Residential Construction*

It is projected that about 350,000 ft<sup>2</sup> of space from new housing units will be constructed annually (175 housing units) over the coming years. In Appendix C it was calculated that approximately 158 new grade 9 to 12 students would be generated from this construction over the next five years, which would be about 6% of the total enrollment.

The state SFP New Construction Grant amounts for grades K to 6, 7 to 8, 9 to 12, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on January 22, 2018. These grant amounts including automatic fire detection/alarm and sprinkler systems as follows:

#### **New Construction Grants**

<b>Grades</b>	<b>Base Grant</b>	<b>Fire Detection/ Alarm</b>	<b>Sprinklers</b>	<b>Grant per Student</b>
K-6	\$14,623	\$17	\$245	\$14,885
7-8	\$15,466	\$23	\$292	\$15,781
9-12	\$19,679	\$39	\$303	\$20,021
SDC-Non-Severe	\$27,480	\$52	\$519	\$28,051
SDC-Severe	\$41,090	\$73	\$774	\$41,937

Assuming that assessing 158 new students from residential construction over the next five years is justified, the cost to provide school facilities for 158 students in Grades 9 through 12 based on the state SFP New Construction grants would be approximately the following:



<b>Grades</b>	<b>Future Students</b>	<b>State Grant (50%)</b>	<b>District Match (50%)</b>
9-12	158	\$2,693,584	\$2,693,584
<b>Total</b>	<b>158</b>	<b>\$2,693,584</b>	<b>\$2,693,584</b>

#### *Modernization/Renovation*

District modernization applications on file at OPSC/SAB are documented in Appendix A. The District's 40% match requirement was calculated to be \$4,243,606 for those projects. Developer Fee revenues over the next five years will partially provide the District's match funds necessary to obtain SAB approval of the projects.

#### **D. Five-Year Construction Cost Summary**

The total costs of the District's facility need over the next five years are summarized as follows:

<b>Five-Year Construction Cost Summary</b>	<b>Cost</b>
Facilities Improvement Plan (Share)	\$2,388,931
Residential Construction Impact	\$2,693,584
Modernization/Renovation (District match)	\$4,243,606
Interim School Facilities	\$0
<b>Total Cost</b>	<b>\$9,326,121</b>

#### **E. Fee per Square Foot**

While residential development is not responsible for all the unmet facilities need of the District, imposing a Level 1 developer fee is justified to provide funds to partially help finance the facilities projects.

At an estimated 350,000 ft<sup>2</sup> of residential construction annually (See Appendix C), it is estimated that approximately 1,750,000 ft<sup>2</sup> of new construction would be subject to a Level 1 developer fee. To raise \$9,326,121, a fee of \$5.33/ft<sup>2</sup> would have to be levied. Based on the above costs, the fee per square foot that could be levied would exceed the legal maximum of \$4.79/ft<sup>2</sup>, and the maximum fee of \$4.79/ft<sup>2</sup> is therefore justified. Based on a fee split of 57% to the feeder elementary districts that impose Level 1 fees and 43% to the NJUHSD, the NJUHSD fee would be \$1.7544/ft<sup>2</sup>. If any of the feeder elementary districts do not impose Level 1 fees, the NJUHSD may impose the entire fee of \$4.79/ft<sup>2</sup> for residential development in those districts.

## **II. REVENUE FROM FEES ON RESIDENTIAL DEVELOPMENT VERSUS COSTS OF SCHOOL FACILITIES**

This section compares the projected revenues from fees levied on future residential development to the school facility costs attributable to that development.

State law currently caps Level 1 Fees at \$4.79/ft<sup>2</sup> for the current year. As demonstrated in the previous section, each square foot of future residential development will generate a school facility cost greatly in excess of \$4.79/ft<sup>2</sup>. Any given amount of future development will, therefore, generate more school facility costs than Level 1 Fee revenue.

### **A. Fee Revenue from Residential Development Over the Next Five Years**

If the District were to collect its 43% share of the maximum allowable Level 1 fee (\$4.79 x 43%) on new residential development, the District would collect approximately \$3,000,000 in residential developer fees over a five-year projection period, for an average of \$600,000 per year.

### **B. Fee Revenue from Additions to Existing Residences**

Fees will be generated by additions to existing residences. This report does not account separately for fee revenue from additions to existing residences, as they have already been included in the estimated collection of developer fees. The fee revenue calculation for additions is the same as for new units. Pursuant to Education Code Section 17620(a)(1)(C)(i), developer fees may be charged on residential additions “only if the resulting increase in assessable space exceeds 500 square feet.”

### **C. Fee Revenue from Reconstruction and Redevelopment**

Fees may also be generated by residential units in redevelopment projects and single and multi-family units that replace demolished units (to the extent that the new units are larger than the demolished units). No such fee revenue is considered in this report.

### **D. School Facility Costs**

The total school facility cost attributable to future residential development over the next five years was calculated in a previous section at \$9,326,121.

### **E. Extent of Mitigation of School Facility Costs Provided by Level 1 Residential Fees**

The total residential Level 1 fee revenue of \$3,000,000 would cover approximately 32 percent of the \$9,326,121 in total school facility costs over the next five years.

### **F. Senior Citizen Restricted Housing**

As required by law, a lower fee, currently the commercial/industrial maximum of \$0.66 per square foot is established for certain types of residences that are restricted in occupancy to senior citizens. Housing of this type generates employees and has an indirect impact on the school district similar to that from commercial/industrial development projects.

### III. FINANCIAL EFFECT ON THE DISTRICT OF NEW COMMERCIAL OR INDUSTRIAL DEVELOPMENT

Commercial/industrial development will attract additional workers to the District, and, because some of those workers will have school-age children, will generate additional students in the District. As shown in Section I, adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a fiscal impact on the District by generating a need for new school facilities.

The report multiplies the following five factors together to calculate the school facility cost incurred by the District per square foot of new commercial/industrial development:

- A. Employees per square foot of new commercial/industrial development,
- B. Percent of employees in the District that also live in the District,
- C. Houses per employee,
- D. Students per house, and
- E. School facility cost per student.

The report calculates each of these factors in the next sections.

#### A. Employees per Square Foot of Development

Education Code Section 17621 (e)(1)(B) states that “to determine the impact of the increased number of employees anticipated to result from the commercial or industrial development...shall be based upon...the January 1990 edition of the San Diego Traffic Generators, a report of the San Diego Association of Governments.” (SanDAG)

#### Employees Per Ft<sup>2</sup> of Commercial/Industrial Development by Category

Commercial/Industrial Category	Avg Ft <sup>2</sup> /Employee	Employees/Avg Ft <sup>2</sup>
Banks	354	0.00283
Community Shopping Centers	652	0.00153
Neighborhood Shopping Centers	369	0.00271
Industrial Business Parks	284	0.00352
Industrial Parks	742	0.00135
Rental Self Storage	17,096	0.00006
Scientific Research and Development	329	0.00304
Lodging	882	0.00113
Standard Commercial Office	208	0.00480
Large High-Rise Com. Office	232	0.00432
Corporate Offices	372	0.00269
Medical Offices	234	0.00427

Source: 1990 SanDAG Traffic Generators report.

**B. Percentage of Employees Residing Within the District**

It is estimated that approximately 50% of people working in the District live in the District.

**C. Number of Households per Employee**

U.S. Census data indicates that there are approximately 1.10 workers per household. Likewise, this data indicates that there are 0.91 housing units for every one worker. The report, therefore, assumes that each new resident worker in the District will demand 0.91 housing units.

**D. Number of Students per Dwelling Unit**

This report assumes that 0.18 9-12 students will reside in each housing unit, based on a yield rate of 0.20 for SFD units and 0.05 for MFA units. (*Note: The allowed state 9-12 yield rate for School Facility Program applications is 0.20.*)

**E. School Facility Cost per Student**

It is estimated that the school facility cost per 9-12 student is \$40,042.

**F. School Facility Cost per Square Foot of Commercial/Industrial Development**

The following table calculates the school facility cost generated by a square foot of new commercial/industrial development for each of the categories of commercial/industrial projects listed in Section A.

School facility costs for development projects not included on this list may be estimated by using the closest employee-per-square foot ratio available for the proposed development or by following the District's administrative procedures for appeals of school facility fee imposition.

**Facility Cost Per Ft<sup>2</sup> of Commercial/Industrial  
Development by Category**

<b>Category</b>	<b>Employees /Ft<sup>2</sup></b>	<b>% Employees Residing in District</b>	<b>Housing Units/ Employee</b>	<b>9-12 Students/ Dwelling Unit</b>	<b>Cost/ 9-12 Student</b>	<b>Cost /Ft<sup>2</sup></b>
Banks	0.00283	0.50	0.91	0.18	\$40,042	\$9.28
Community Shopping Centers	0.00153	0.50	0.91	0.18	\$40,042	\$5.02
Neighborhood Shopping Centers	0.00271	0.50	0.91	0.18	\$40,042	\$8.89
Industrial Business Parks	0.00352	0.50	0.91	0.18	\$40,042	\$11.54
Industrial Parks	0.00135	0.50	0.91	0.18	\$40,042	\$4.43
Rental Self Storage	0.00006	0.50	0.91	0.18	\$40,042	\$0.20
Scientific Research and Development	0.00304	0.50	0.91	0.18	\$40,042	\$9.97
Lodging	0.00113	0.50	0.91	0.18	\$40,042	\$3.71
Std Commercial Office	0.00480	0.50	0.91	0.18	\$40,042	\$15.74
Large High-Rise Com. Office	0.00432	0.50	0.91	0.18	\$40,042	\$14.17
Corporate Offices	0.00269	0.50	0.91	0.18	\$40,042	\$8.82
Medical Offices	0.00427	0.50	0.91	0.18	\$40,042	\$14.00

#### **IV. FINDINGS**

This section shows that the District meets the requirements of Government Code Section 66001 regarding the collection of developer fees and summarizes other potential funding sources for the District's capital projects.

##### **A. Government Code Section 66001(a)(1) – Purpose of the Fee**

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities for the students generated by new residential and commercial/industrial developments.

##### **B. Government Code Section 66001(a)(2) – Use of the Fee**

The District's use of the fee will involve constructing new school facilities. In addition, the fee may be used to construct additional facilities on existing school campuses and/or reconstructing school campuses. The District may also need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

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

- 1) Land (purchased or leased) for school facilities,
- 2) Design of school facilities,
- 3) Permit and plan checking fees,
- 4) Construction or reconstruction of school facilities,
- 5) Testing and inspection of school sites and school buildings,
- 6) Furniture for use in new school facilities,
- 7) Interim school facilities (purchased or leased) to house students generated by new development while permanent facilities are being constructed,
- 8) Legal and administrative costs associated with providing facilities to students generated by new development,
- 9) Administration of the collection of developer fees (including the costs of justifying the fees) and
- 10) Miscellaneous purposes resulting from student enrollment growth caused by new residential development.

##### **C. Government Code Section 66001(a)(3) – Relationship Between Fee's Use and the Type of Project Upon Which Fee is Imposed.**

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

New commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial will

also generate new students in the District. Adequate school facilities do not exist for these students. New commercial/industrial development, therefore, creates a need for additional school facilities. The fee's use (acquiring school facilities) is, therefore, reasonably related to the type of project (new commercial/industrial development) upon which it is imposed.

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

The District does not have sufficient adequate facilities to house students generated by future development. Future residential and commercial/industrial development in the District will generate additional students and consequently, a need for additional school facilities. A relationship exists, therefore, between the District's need to provide additional school facilities and the construction of new residential and commercial/industrial development projects.

**E. Government Code Section 66001(b) – Relationship Between the Fee and the Cost of the Public Facility Attributable to the Development on Which the Fee is Imposed**

This report demonstrates that the school facility cost attributable to future residential development exceeds \$4.79 per square foot. Level 1 fees of \$4.79 per square foot on residential development are, therefore, fully justified.

This report also demonstrates that the school facility costs attributable to all categories of commercial/industrial development except rental self-storage range exceeds \$0.78 per square foot. Level 1 fees of \$0.78 on these types of development are, therefore, fully justified. The school facility cost attributable to rental self-storage units is \$0.41 per square foot. Fees for this type and other low-employee-generating types of development should be examined on a case-by-case basis.

**F. Other Funding Sources**

The following is a review of potential other funding sources for constructing school facilities.

*1) General Fund*

The District's General Fund budget is typically committed to instructional and day-to-day operating expenses and not used for capital outlay uses, as funds are needed to meet the District's non-facility needs. General Fund monies may, however, be used for portable lease payments, COPs, or facilities projects if other funding sources are insufficient to meet commitments.

*2) State Programs*

The District has been approved for modernization eligibility under the School Facility Program. The State match allowance of 60 percent for modernization, however, leaves a shortfall between State funding and the District's actual facility needs. The School Facility Program could provide its 60 percent match if state bonds are available and local match funds of 40 percent are available. State funds for deferred maintenance cannot be used to pay for new facilities. State law prohibits use of lottery funds for facilities.

3) *General Obligation Bonds*

School districts can, with the approval of two-thirds or 55 percent of its voters, issue general obligation bonds that are paid for with property taxes. The District passed a \$47 million Proposition 39 bond measure (Measure B) which will be applied to specific District projects as a part of the \$86+ million identified facilities need. The local bond measures provide funds for part of the local needs, but the bonds do not meet all of the financial needs to provide school facilities for existing school facilities or for future students from new construction.

4) *Parcel Taxes*

Approval by two-thirds of the voters is required to impose taxes that are not based on the assessed value of individual parcels. While these taxes have been occasionally used in school districts, the revenues are typically used to supplement operating budgets.

5) *Mello-Roos Community Facilities Districts*

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from two-thirds of the voters (or landowners if fewer than 12) in an election.

6) *Surplus Property*

The District does not own any surplus property that could be used to finance additional school facilities.

7) *Redevelopment*

The District has no Redevelopment Agency funds in effect.



## **V. RECOMMENDATIONS**

This report recommends that the District levy the maximum statutory fee authorized by law of \$4.79 per square foot of residential development. The report also recommends that the District levy the maximum fee as authorized by law of \$0.78 per square foot, on all categories of commercial/industrial development except rental self-storage. Developer fees for rental self-storage and other types of low-employee generating developments should be examined on a case-by-case basis. All fees collected are to be shared with the feeder elementary school districts based on a 57/43 split.

These recommendations are based on the findings that residential and commercial/industrial development creates a school facility cost for the District that is larger than the revenue generated by charging these fees.

## APPENDIX A: ELIGIBILITY DETERMINATION

The District has, in the past, filed modernization applications under the State School Facility Program (SAB 57) and received the State grant funding summarized in the table below. All of the financial data is from the OPSC/SAB website which maintains current project status for all school districts.

Eligibility for a modernization project is based on permanent facilities that are 25 years old and portable facilities that are 20 years old, and is established when Form SAB 50-03 is filed with the State and the State Allocation Board (SAB) approves it. A school district designs and submits a project to the Division of State Architect (DSA) and the California Department of Education (CDE). The district awaits both agencies' approvals before filing an application (Form SAB 50-04), which establishes funding for a project. If advantageous, a district may file a revised SAB 50-03 to reflect recent enrollment data. After a project has been bid, the district files Form SAB 50-05 to request a release of state funds for the project.

### State Funded Modernization Projects

State Program	SAB#	Date Funded	State Grant Amounts	District Match
Mod. – Nevada Union HS	57/001	2000	\$94,243	\$23,561
Mod. – Nevada Union HS	57/006	2005	\$6,225,359	\$4,150,239
Mod. – Sierra Foothill Contin.	57/007	2005	\$1,233,194	\$822,129
Mod. – Nevada Union HS	57/008	2008	\$855,658	\$570,439
Mod. – Nevada Union HS	57/010	2009	\$1,416,620	\$944,413
<b>Total Grant Amount</b>			<b>\$9,825,074</b>	<b>\$6,510,781</b>

The state SFP Modernization grant amounts for school facilities under 50 years old for grades K-6, 7-8, SDC-Non-Severe and SDC-Severe, were adjusted by the State Allocation Board on February 23, 2022. The grant amounts, including automatic fire detection/alarm systems, are:

### Modernization Grants

Grades	Base Grant	Fire Detection/ Alarm	Grant per Student
K-6	\$4,747	\$154	\$4,901
7-8	\$5,014	\$154	\$5,168
9-12	\$6,565	\$154	\$6,719
SDC-Non-Severe	\$10,109	\$284	\$10,393
SDC- Severe	\$15,110	\$424	\$15,534

For school facilities over 50 years old the state grant amounts are considerably higher.

The District has the following modernization applications on file under the State School Facility Program (SAB 57). The estimated State Grant Amounts are based on \$6,719 per 9-12 student and \$10,393 per Non-Severe student. The match is based on 60/40. Since the District must provide its 40% match to obtain state funds, the District will need \$4,243,606 in local funds as shown in the table below.

**State Modernization Applications Filed**

<b>State Program</b>	<b>9-12 Enrollment</b>	<b>SAB#</b>	<b>State Grant Amounts</b>	<b>District Match</b>
Mod. – Bear River HS	258	57/011	\$1,733,502	\$1,155,668
Mod. – Nevada Union HS	320, 7NS	57/012	\$2,222,831	\$1,481,887
Mod. – Bear River HS	129, 1NS	57/013	\$877,144	\$584,763
Mod. – Bear River HS	228	57/014	\$1,531,932	\$1,021,288
<b>Total State Grant Amount</b>			<b>\$6,365,409</b>	<b>\$4,243,606</b>

## APPENDIX B: HISTORICAL AND PROJECTED ENROLLMENT

The following enrollments for 2017-18 through 2021-22 were compiled from CDE's CBEDS/CALPADS.

K-12 cohort growth is the movement of students from one grade one year to the next higher grade the following year. It is the best indicator of net migration, which is the combined impact of inter-district transfers, in/out-migration, residential growth, transitional kindergarten (TK), changes in vacancy rates, movement of students to or from private/charter schools, home schooling, county programs, etc. From the table, the feeder elementary districts experienced increases in kindergarten enrollment as the TK program was implemented. The TK program, which began in 2012-13, is now fully implemented; as a two-year program, the first-year TK enrollment advances only to regular kindergarten in its second year. Because of this, there is a cohort loss from total K enrollment to Grade 1. There was also an increase in kindergarten over prior year eighth grade enrollment as well as cohort gains/losses in Grades 1 to 8. There was an enrollment anomaly in 2020-21, probably the result of the impact of COVID-19. Eighth grade students in charter and private schools move into public high school at Grade 9, resulting in a cohort increase for that grade in the NJUHSD.

### Historical CBEDS/CALPADS Enrollment and Cohort Growth/Decline

Grades	2017-18	2018-19	2019-20	2020-21	2021-22	Average 18-19/21-22
K	694/	775/	735/	608/	662/	
1	579/-144	538/-156	625/-150	594/-141	519/-89	-134
2	539/- 4	598/ 19	544/ 6	591/- 34	612/ 18	2
3	574/ 9	546/ 7	619/ 21	526/- 18	606/ 15	6
4	612/- 11	595/ 21	560/ 14	571/- 48	532/ 6	-2
5	621/- 8	611/- 1	616/ 21	542/- 18	570/- 1	0
6	593/- 13	613/- 8	641/ 30	597/- 19	546/ 4	2
7	565/- 9	607/ 14	619/ 6	608/- 33	611/ 14	0
8	590/ 11	586/ 21	596/- 11	620/ 1	607/- 1	3
<b>Subtotal</b>	<b>5,367/-169</b>	<b>5,469/-83</b>	<b>5,555/-63</b>	<b>5,257/-310</b>	<b>5,265/-34</b>	<b>-123</b>
<b>Gain/Loss</b>	<b>-73`</b>	<b>102</b>	<b>86</b>	<b>-298</b>	<b>8</b>	
						<b>Average 18-19/21-22</b>
9	688/ 90	701/111	646/60	673/77	646/26	69
10	713/ 2	677/-11	643/-58	662/16	607/-66	-30
11	694/-31	697/-16	631/-46	668/25	601/-61	-25
12	706/ 34	700/ 6	685/-12	683/52	638/-30	4
<b>Subtotal</b>	<b>2,801/ 95</b>	<b>2,775/ 90</b>	<b>2,605/-56</b>	<b>2,635/170</b>	<b>2,492/-131</b>	<b>18</b>
<b>Gain/Loss</b>	<b>-61</b>	<b>-26</b>	<b>-170</b>	<b>30</b>	<b>-143</b>	
<b>Subtotal</b>	<b>8,168</b>	<b>8,244</b>	<b>8,160</b>	<b>7,892</b>	<b>7,757</b>	<b>-105</b>
<b>Gain/Loss</b>	<b>-134</b>	<b>76</b>	<b>-84</b>	<b>-268</b>	<b>-135</b>	

## Nevada County Births and Feeder Elementary Kindergarten Enrollment

Kindergarten projections can be derived by correlating births in the Nevada County to kindergarten enrollments. It is noted that the percentages are higher in 2016 and after because of the full impact of transitional kindergarten.

The fertility rate trend has had a significant impact on births, as it declined from 2.19 in 2006 to 1.74 in 2018 and is projected to continue to decline to 1.68 by 2029. (A 2.1 fertility rate is considered to be the population replacement rate.) It is noteworthy, however, that births are projected to increase steadily after a low of 771 in 2018 to 1,002 in 2031 because of increased population from new housing units. Due to the impact of COVID-19, kindergarten enrollment was low in 2020 and 2021. It is assumed that kindergarten will recover in coming years so the 2020 and 2021 were no considered in projecting future correlation percentages.

Year	Nevada County Births/Fertility	Year	District Kindergarten Enrollment	Percent
<b>Historical <sup>1</sup></b>		<b>Historical <sup>2</sup></b>		
2006	809/2.19	2011	629	77.75%
2007	844/2.19	2012	675	79.98%
2008	871/2.12	2013	699	80.25%
2009	758/2.03	2014	671	88.52%
2010	793/1.95	2015	693	87.39%
2011	761/1.92	2016	723	95.01%
2012	810/1.92	2017	694	85.68%
2013	816/1.88	2018	775	94.98%
2014	817/1.91	2019	735	89.96%
2015	876/1.88	2020	608	69.41%
2016	783/1.87	2021	662	84.55%
<b>Historical <sup>1</sup></b>		<b>Projected</b>		
2017	797/1.81	2022	757	95.00%
2018	771/1.74	2023	732	95.00%
<b>Projected <sup>1</sup></b>		<b>Projected</b>		
2019	774/1.73	2024	735	95.00%
2020	794/1.73	2025	754	
2021	819/1.72	2026	778	
2022	843/1.71	2027	801	
2023	872/1.71	2028	828	
2024	896/1.70	2029	851	

2025	926/1.70	2030	880
2026	945/1.69	2031	898
2027	964/1.69	2032	916
2028	974/1.69	2033	925
2029	986/1.68	2034	937
2030	997/1.68	2035	947
2031	1,002/1.68	2036	952

<sup>1</sup> Source: California Department of Finance. Demographic Research Unit. 2019. Historical and Projected Fertility Rates and Births, 1990-2050. Sacramento: California Department of Finance. September 2019. (Note: The fertility rates are for the State of California.)

<sup>2</sup> Source: California Basic Educational Data System (CBEDS), Department of Education.

### **PROJECTED CBEDS/CALPADS ENROLLMENT 2022-23 through 2026-27**

Enrollment projections for the District for 2022-23 through 2026-27 were derived from kindergarten projections and cohort factors. Cohort factors, which were established based on historical trends, as shown in the preceding “Historical CBEDS/CALPADS Enrollment and Cohort Movement” were distributed throughout the grades to derive the enrollment projections. The resulting projections are presented in the table below.

<b>Grades</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>
K	757	732	735	754	778
1	528/-134	623	598	601	620
2	521/2	530	625	600	603
3	618/6	527	536	631	606
4	604/-2	616	525	534	629
5	532/0	604	616	525	534
6	572/2	534	606	618	527
7	546/0	572	534	606	618
8	614/3	549	575	537	609
<b>Subtotal</b>	<b>5,292/-123</b>	<b>5,287</b>	<b>5,350</b>	<b>5,406</b>	<b>5,524</b>
9	676/69	683	618	644	606
10	616/-30	646	653	588	614
11	582/-25	591	621	628	563
12	605/4	586	595	625	632
<b>Subtotal</b>	<b>2,479/18</b>	<b>2,506</b>	<b>2,487</b>	<b>2,485</b>	<b>2,415</b>
<b>Total</b>	<b>7,771</b>	<b>7,793</b>	<b>7,837</b>	<b>7,891</b>	<b>7,939</b>

Based on the above historical and projected enrollments, the projected changes in enrollment from 2021-22 to 2026-27 were as follows:

<b>Grades</b>	<b>2021-22</b>	<b>2026-27</b>	<b>Change</b>
K-8	5,265	5,524	259
9-12	2,492	2,415	- 77
<b>Total</b>	<b>7,757</b>	<b>7,939</b>	<b>182</b>

The historical enrollment and the birth/kindergarten correlation for the Nevada City Elementary School District is presented in the following tables.

**Historical CBEDS/CALPADS Enrollment and Cohort Growth**

<b>Grade</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>Average Cohort</b>
K	102	103	103	80	68	91
1	76	67/-35	66/-37	89	64	72
2	75	83/7	68/1	67	80	75
3	88	77/2	71/-12	65	75	75
4	92	90/2	75/-2	68	68	79
5	107	94/2	90/0	79	70	88
6	98	103/-4	92/-2	84	78	91
7	93	97/-1	89/-14	80	84	89
8	101	87/-6	89/-8	84	78	88
<b>Total</b>	<b>832</b>	<b>868</b>	<b>743</b>	<b>696</b>	<b>665</b>	<b>761</b>
<b>+/-</b>	<b>-</b>	<b>36</b>	<b>-125</b>	<b>-47</b>	<b>-31</b>	<b>-42</b>

<b>Year</b>	<b>Nevada County Births/Fertility</b>	<b>Year</b>	<b>Nevada County Kindergarten Enrollment</b>	<b>Percent</b>
<b>Historical <sup>1</sup></b>		<b>Historical <sup>2</sup></b>		
2015	876/1.88	2015	89	11.22%
2016	783/1.87	2016	110	14.45%
2017	797/1.81	2017	102	12.59%
2018	771/1.74	2018	103	12.62%
2019	774/1.73	2019	103	12.61%
2020	794/1.73	2020	80	12.61%
2021	819/1.72	2021	68	12.61%
2022	843/1.71	2022	101	12.61%
<b>Projected<sup>1</sup></b>		<b>Projected</b>		
2023	872/1.71	2023	97	12.61%
2024	896/1.70	2024	98	12.61%
2025	926/1.70	2024	98	12.61%

- <sup>1</sup> *Source:* California Department of Finance. Demographic Research Unit. 2019. Historical and Projected Fertility Rates and Births, 1990-2050. Sacramento: California Department of Finance. September 2019. (*Note:* The fertility rates are for the State of California.)
- <sup>2</sup> *Source:* California Basic Educational Data System (CBEDS), Department of Education.



## APPENDIX C: RESIDENTIAL DEVELOPMENT

The Unaudited Actuals developer fee collection records of the NJUHSD are presented in the following table for 2016-2017 through 2020-2021.

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
<i>Beginning Balance</i>	\$822,385	\$1,263,131	\$1,682,583	\$1,969,729	\$2,058,131
<i>Revenue</i>	\$465,831	\$435,381	\$488,427	\$417,284	\$677,188
<i>Expenditures</i>	\$25,085	\$15,929	\$201,281	\$328,881	\$297,174
<i>Ending Balance</i>	<b>\$1,263,131</b>	<b>\$1,682,583</b>	<b>\$1,969,729</b>	<b>\$2,058,131</b>	<b>\$2,438,145</b>

Based on total fees of about \$2,400,000 as shown above, the amount of residential square feet subject to a Level 1 fee would be about 500,000 ft<sup>2</sup> (\$2,400,000 divided by \$4.79).

The developer fee revenues presented above translate into the following estimates of residential housing square feet and number of housing units based on an average of 2,000 ft<sup>2</sup>/unit.

### Conclusion

For this Level 1 Justification Document, about 500,000 ft<sup>2</sup> of space per year subject to the Level 1 fee will be used, assuming a 57/43 Kindergarten to Grade 8/Grade 9 to 12 split, resulting in annual collections of \$1,368,000. Assuming no increase in the Level 1 fee in the future, the five-year total fee would be \$6,840,000. This level of construction would result in enrollment increases from new students in the years ahead as reflected in this study.

## **EXHIBIT A: PROCEDURE TO APPEAL IMPOSITION OF COMMERCIAL OR INDUSTRIAL DEVELOPMENT FEE**

In accordance with Government Code Section 53080.1, subdivision (e)(2), the following appeals procedure is available to any developer who wishes to contest a fee imposed by the District on residential, commercial or industrial development.

### **A. Procedure to Appeal Fee Imposition**

#### **1. Written Statement of Appeal**

- a. Any appeal of the administration's decision to impose fees on development must be presented to the District's Superintendent or his/her designee in writing.
- b. The developer's written statement of appeal shall be dated and include the specific grounds for the appeal and any information that supports the developer's contention that the fee imposition is improper.
- c. The written statement of appeal must be submitted by the developer to the Superintendent or his/her designee within five (5) days of the administration's determination to impose the fee.

#### **2. Appeal to Superintendent or His/Her Designee**

- a. The Superintendent or his/her designee shall have an opportunity to investigate the contentions made in the developer's statement of appeal. In conjunction with this investigation, the Superintendent or his/her designee may request to meet with the developer.
- b. Within seven (7) days from the date of receipt of the developer's statement of appeal, the Superintendent or his/her designee shall mail the developer a decision in writing either granting or denying the appeal.

#### **3. Governing Board**

- a. If the developer is dissatisfied with the decision of the Superintendent or his/her designee, the developer may request a hearing before the governing board.
- b. The developer's request for a hearing must be received in the District office within seven (7) days of the date of the Superintendent's decision upholding the fee imposition.
- c. The date for the hearing shall be established by the District as soon as practicable following receipt of the developer's request. It shall be the District's prerogative to decide whether the hearing will be conducted at a regular meeting of the governing board or at a special meeting.

- d. As soon as possible and in no event less than five (5) days before the date set for the hearing, the District shall send the developer a written notice including the time, date and place set for the hearing.

## **B. Conduct of the Hearing**

1. At the hearing, the developer shall bear the burden of establishing that the fee is improper.
  - a. The developer shall be allotted 15 minutes in which to present the information showing that the fee requirement is improper.
  - b. The District administration shall have 15 minute in which to present information rebutting the developer's contentions.
  - c. The governing board has the discretion to grant either party or both additional times in which to present information in further support of their contentions.
2. Within five (5) days of the hearing, the governing board or its designee shall mail the developer a notice in writing of its decision either granting the appeal or upholding the fee imposition.
3. All hearings conducted pursuant to this section shall be informal in nature and be designed to determine the parties' contentions without unnecessary formality.

## **C. Miscellaneous**

1. Any failure on the part of the developer to pursue their appeal within the timelines stated in this procedure shall result in the developer's forfeiture of their opportunity for a hearing before the governing board.
2. The timelines contained in this procedure may be extended by mutual written agreement of all parties.
3. It will be sufficient in meeting any of the notice requirements contained in this procedure for the District to send such notices to the developer by regular mail at their last known address as listed on their statement of appeal.
4. Whenever the deadline for any act required under this procedure falls on a Saturday, Sunday or holiday, the time shall automatically be extended to the next business day.