

**DEVELOPMENT IMPACT FEE JUSTIFICATION
REVIEW AND SUPPLEMENT**



INTRODUCTION

Cajon Valley Union School District levies development fees under Sections 17620 and 17621 of the California Education Code. In accordance with legislative guidelines, the State Allocation Board (SAB) has reviewed the maximum level of school facilities impact fees allowed per these code sections with the intent to adjust them for inflation in construction costs over the last two years. The Board's review found that, after years of less than typical inflation, costs escalated significantly, especially in 2021. The indices used to measure inflation indicated that the maximum for the fees that can be charged to developers until the next adjustment, essentially for calendar years 2022 and 2023, should be increased to the following amounts:

K-12 Maximum Fee Amounts

Residential Construction	\$4.79
Commercial and Industrial Construction	\$0.78

Where an elementary district and a high school district both serve an area, the districts must agree on an appropriate sharing of the maximum fee amounts. Per their agreement, Cajon Valley Union School District (District) can levy up to 62% of the maximum fees and the remainder is available to Grossmont Union High School District. The maximum fees previously allocated to Cajon Valley were \$2.53 per square foot on residential development and \$0.41 per square foot on commercial/industrial development. The

Re-6 (1 a)6mne

Enrollment Capacity of Classrooms

The District has added seven net classrooms since the 2018 report. A total of 12 new classrooms have been added, but five old rooms were demolished due to their condition and to make space for some of the new rooms. Even with the capacity of the seven new classrooms added, the District's ideal capacity remains far below current enrollment. As a result, additional capacity should be added to accommodate enrollment from new homes if the District's facilities are not to become more overcrowded.

Facilities Cost

The 2018 report determined an average cost of \$38,765 per student for school facilities to accommodate additional students, based on the cost of the Lexington School reconstruction and supported by some projects for other districts. The SAB found that construction costs have escalated 7.6% over 2018 and 2019 and 17.45% over 2020 and 2021, a total increase of 26.4% over the four years. Increasing the early 2018 cost of \$38,765 by this percentage yields a 2020 cost figure of \$48,990 per additional student. (In neither case were land costs included.) Multiplying this cost times the estimate of 800 students from new development results in a cost of \$39.19 million.

Use of Fee Revenues

Some of the fee revenues are likely to be used to construct facilities that increase the enrollment capacities of the District's schools. One primary use of fee revenues has been to construct additional classrooms and classroom support space (and in some situations to provide it in modular buildings). Another is to provide additional capacity in the academic support facilities required, such as libraries, physical education facilities, cafeterias and general purpose rooms, administrative space, etc.

In many cases projects will include refurbishing and replacing buildings that would not meet the standards of the District in coming years. This use of development fee revenues was recognized as legal when Government Code 66001(g) was amended specifically to recognize refurbishment of existing facilities as an appropriate use of fee revenues.

RESIDENTIAL FEES

The 2018 report projected that the eight years of new development would total 6.33 million square feet; the six years 2022 through 2027 would thus be about 4.75 million square feet.

Table 6-2 from the 2018 report is replaced below with the updated cost and the 4.75 million square feet of new construction generating this cost impact information. It should be noted that, if new development occurs more slowly than projected, it would not affect the ratio between the square footage of new development and the cost impact.

commercial/industrial development is thus increased. However, the two categories that did not have impacts sufficient to justify the maximum fees remain below the maximum. Only fees of \$0.02 per square foot and \$0.06 per square foot can be levied on parking structures and self-storage buildings. The fee for the other building categories is \$0.48 per square foot, the maximum set by state law. The comprehensive 2018 report provides guidelines for calculating fees on commercial/industrial development that is not one of the required categories.

SUMMARY OF FINDINGS

This report has reviewed the assumptions in the 2018 comprehensive report, identified those that needed to be brought up (e.g., (b)(2)(d)-1 (e t ot)-2rCID 4 .99ur ()Tm ot)-i (d on-1 (e d-1 (e t ot)-h-1 (e