

File ID Number: 13-0251  
Introduction Date: 2/13/13  
Enactment Number: 13-0274  
Enactment Date: 2/13/13  
By: [Signature]

**OAKLAND UNIFIED SCHOOL DISTRICT**  
Office of the Board of Education  
February 13, 2013

**To:** Board of Education

**From:** Tony Smith, Ph. D, Superintendent  
Timothy White, Associate Superintendent for Facilities, Planning and Management

**Subject:** Resolution No. 1213-0090 - Approving Increase in Level 1 School Facility Fees

---

**ACTION REQUESTED:**

That the Board of Education of the Oakland Unified School District approve and adopt the School Facility Fee Justification Report for Residential, Commercial and Industrial Development Projects prepared by School Facility Consultants dated December 2012 ("Report"), including responses to any public comments received, and approve an increase in the statutory school facility fees (Level 1 Fees) imposed on residential, commercial and industrial construction pursuant to Education Code section 17620 and make certain related findings and determinations.

**BACKGROUND:**

In order to impose statutory school facility fees on residential, commercial and industrial construction, known as Level 1 Fees, a school district must meet specified statutory requirements set forth in Education Code section 17620. The District retained School Facility Consultants to conduct the analysis and prepare a report regarding whether the District meets pertinent requirements of State law regarding the collection of developer fees and analyze the cost of providing school facilities for students generated by future residential and commercial/industrial development projects in the District. The Report concludes that the District is justified to collect the legal maximum fee of \$3.20 per square foot of residential development (Level 1 Fees), and the District is justified to collect the legal maximum fee of \$0.51 per square foot of development on all categories of commercial/industrial development (except rental self-storage).

**FISCAL IMPACT**

To Be Determined

**RECOMMENDATION**

Staff recommends the Board of Education approve and adopt the School Facility Fee Justification Report for Residential, Commercial and Industrial Development Projects prepared by School Facility Consultants dated December 2012, including responses to any public comments received, and approve an increased in the statutory school facility fees (Level 1 Fees) imposed on residential, commercial and industrial construction pursuant to Education Code section 17620.

**ATTACHMENTS**

1. School Facility Fee Justification Report for Residential, Commercial and Industrial Development Projects
2. Resolution No. 1213-0090
3. Notice of Exemption

---

**SCHOOL FACILITY FEE JUSTIFICATION REPORT  
FOR RESIDENTIAL, COMMERCIAL & INDUSTRIAL  
DEVELOPMENT PROJECTS**

for the

**OAKLAND UNIFIED SCHOOL DISTRICT**

December 2012

---

*Prepared by*  
School Facility Consultants

---

---

**SCHOOL FACILITY FEE JUSTIFICATION REPORT  
FOR RESIDENTIAL, COMMERCIAL & INDUSTRIAL  
DEVELOPMENT PROJECTS**

for the

**OAKLAND UNIFIED SCHOOL DISTRICT**

December 2012

---

*Prepared for*  
Oakland Unified School District  
1025 Second Avenue  
Oakland, CA 94606  
(510) 879-8200

File ID Number: 13-0251  
Introduction Date: 2/13/13  
Enactment Number: 13-0274  
Enactment Date: 2/13/13  
By: [Signature]

*Prepared by*  
School Facility Consultants  
1303 J Street, Suite 500  
Sacramento, CA 95814  
(916) 441-5063

---

# TABLE OF CONTENTS

Executive Summary .....	1
Introduction .....	2
A. Purpose and Scope .....	2
B. Brief Description of the Oakland Unified School District .....	2
C. Data Sources.....	3
D. Outline of the Report.....	3
I. District Facility Needs .....	4
II. Financial Impact on the District of Future Residential Development .....	6
A. Number of Students per New Housing Unit .....	6
B. Cost of Providing School Facilities.....	6
C. Cost of Providing School Facilities per K-12 Student Generated by Future Development .....	7
D. Cost of Providing School Facilities per New Residential Housing Unit .....	7
E. Cost of Providing School Facilities per Square Foot of Future Residential Development .....	8
III. Revenue from Fees on Residential Development Versus Costs of School Facilities .....	9
A. Fee Revenue from Future Residential Development .....	9
B. Fee Revenue from Additions to Existing Residences .....	9
C. Fee Revenue from Reconstruction and Redevelopment .....	9
D. School Facility Costs Generated by Future Residential Development .....	10
E. School Facility Costs Generated by Additions to Existing Residences .....	10
F. School Facility Costs Generated by Reconstruction and Redevelopment.....	10
G. Extent of Mitigation of School Facility Costs Provided by Level I Residential Fees.....	10
H. Senior Citizen Restricted Housing.....	11
IV. Financial Effect on the District of New Commercial/Industrial Development.....	12
A. Employees per Square Foot of Development .....	12
B. Percentage of Employees Residing Within the District .....	13
C. Number of Households per Employee .....	13
D. Number of Students per Dwelling Unit .....	13
E. School Facility Cost per Pupil.....	13
F. School Facility Cost per Square Foot of Commercial/Industrial Development ...	13
G. Calculating School Facility Cost of Commercial/Industrial Development with Residential Fee Offset .....	14
V. Findings .....	17
A. Government Code Section 66001(a)(1) - Purpose of the Fee .....	17
B. Government Code Section 66001(a)(2) - Use of the Fee.....	17
C. Government Code Section 66001(a)(3) - Relationship Between the Fee's Use and the Type of Project Upon Which Fee the is Imposed.....	17

D. Government Code Section 66001(a)(4) - Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed .....	18
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 .....	18
F. Other Funding Sources .....	19
1) General Fund .....	19
2) State Programs .....	19
3) General Obligation Bonds .....	19
4) Parcel Taxes.....	19
5) Mello-Roos Community Facilities Districts.....	19
6) Surplus Property .....	20
7) Alternatives for Reducing Facility Costs.....	20
VI. Recommendations .....	21

Appendix Employee Statistics From the San Diego Association of Governments by Various Categories of Commercial/Industrial Development

## **EXECUTIVE SUMMARY**

The Oakland Unified School District (District) is justified to collect the legal maximum fee of \$3.20 per square foot of residential development as authorized by Government Code Section 65995 (Level I fees), as future residential development creates a school facility cost of \$6.72 per square foot. The District is also justified to collect the legal maximum fee of \$0.51 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 ranging from \$1.93 to \$8.28 per square foot of future development, even when fees from linked residential units are accounted for. 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 current classroom facilities require substantial capital investments, estimated at approximately \$1.5 billion, in order to provide ongoing improvement to support a Full Service Community School District that serves children, youth and their families. The District, therefore, does not have sufficient capacity to house students generated by future development.
2. Over a five-year period, future residential development is projected to create 1,714 students in the District. These students will require the District to provide ongoing capital facility improvement to support a Full Service Community School District for these students and their families.
3. Each square foot of future residential development creates an estimated school facilities cost of \$6.72. All categories of commercial/industrial development (except rental self-storage) create an estimated school facilities cost ranging from \$1.93 to \$8.28 per square foot of commercial/industrial development, even when fees from linked residential units are accounted for.
4. If the District collects the current maximum fee on residential development authorized by Government Code Section 65995 of \$3.20 per square foot, fee revenue will offset 47.6 percent of the school facility cost attributable to residential development. If the District collects the current maximum fee on commercial/industrial development authorized by Government Code Section 65995 of \$0.51 per square foot, fee revenue will offset from 6.2 percent to 26.4 percent 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 Oakland Unified School District (District). *School Facility Consultants* 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 if those developments generate additional students and cause a need for additional school facilities. Government Code Section 65995 authorizes school districts to collect fees on future development of no more than \$3.20 per square foot for residential construction and \$0.51 for commercial/industrial construction (Level I fees). Level I 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.

This Report:

- Identifies the cost of providing school facilities for students generated by future residential and commercial/industrial development in order to justify the collection of fees on those developments, and
- Explains the relationship between the fees and the developments on which those fees are to be charged.

### B. Brief Description of the Oakland Unified School District

The Oakland Unified School District is located in Alameda County. District boundaries may be seen in greater detail on maps available at the District Office.

The District currently serves over 46,500 students in grades K-12 and operates 63 elementary schools, 17 middle schools, five comprehensive high schools and numerous small learning communities.

Opportunities for new residential development exist in the District, and 6,255 new residential units are currently being considered for construction in the District over the next five years.

To accommodate this future residential development, the District plans to direct sustainable and efficient use of resources in support of Full Service Community Schools, facility modernizations, and seismic safety upgrades throughout the District.

### C. Data Sources

The data sources for this Report are listed in below and referenced throughout the Report.

#### Data Sources

Data Type	Data Source
Residential development rates	County of Alameda; Alameda County Assessor Information (Metroscan Software Program); Oakland Unified School District (OUSD); Local development project information
Enrollment history	CBEDS
Pupil capacity of District schools	OUSD
Student generation rates for housing units	United States Census
Facility Plan and Cost	OUSD Facilities Master Plan 2012
Employees per square foot of commercial/industrial development	San Diego Association of Governments
Number of workers per household	United States Census

### D. Outline of the Report

The Report is divided into six sections. The sections:

1. Identify the District's school facility needs over the next five years,
2. Calculate the financial impact on the District of future residential and commercial/industrial developments,
3. Compare the projected revenues from developer fees to the costs of providing facilities for students generated by future developments,
4. Show that the District satisfies the requirements of Government Code Section 66001 with respect to the collection of developer fees,
5. Summarize other potential funding sources for school facilities and
6. Present recommendations regarding the collection of developer fees.

**End of Section**

---



## I. DISTRICT FACILITY NEEDS

The District's current classroom facilities require substantial capital investments, estimated at approximately \$1.5 billion, in order to provide ongoing improvement to support a Full Service Community School District that serves children, youth and their families.

In order to provide facilities for students from future development, the District plans to direct sustainable and efficient use of resources in support of Full Service Community Schools, facility modernizations, and seismic safety upgrades throughout the District.

On May 23, 2012, the OUSD Governing Board adopted the 2012 Facilities Master Plan, which outlines the facility needs and strategic goals of the District over the next five to ten years. This plan focuses on capital improvements necessary to provide adequate student housing at existing District sites.

Through adoption of the 2012 Facilities Master Plan, the District has identified that adequate facilities do not exist within the district and, therefore, there is insufficient capacity available to house students generated by future development.

This condition exists regardless of the availability of classrooms to house students (including new development students), as substantial capital investment is required in the classroom facilities.

Specifically, the District has determined that additional investment in capital facility projects are needed to address current and future requirements in three key areas:

1. Full Service Community School Support
2. Seismic Safety Enhancements
3. Modernizations & Facility Upgrades

These three areas of focus are further divided into specific categories and projects within the overall Master Plan, which include, but are not limited to, the following types of construction activities:

- Support for innovative educational programs like STEM (Science Technology Engineering & Math) through enhancements to existing and future school buildings
- Information Technology
- Special Education
- Grade Reconfiguration and Expansions
- Portable Classroom Reductions
- Seismic Retrofit Implementation

- Accessibility Upgrades
- Heating/Ventilation/Air Conditioning Systems
- Roofing/Waterproofing
- Plumbing
- Electrical
- Site & Grounds Upgrades
- Solar & Energy Efficiency
- Nutrition Services

The District has identified that investment in these areas is necessary in order to meet the goals of the OUSD 2012 Facilities Master Plan.

**End of Section**

---

## II. FINANCIAL IMPACT ON THE DISTRICT OF FUTURE RESIDENTIAL DEVELOPMENT

This Section quantifies how future residential development financially affects the District.

Future residential development will generate additional students in the District. As described in the previous section, adequate school facilities do not exist for these students. Future residential development, therefore, financially affects the District by generating a need for additional school facilities that the District must acquire at some cost. This section describes this cost in three ways: (1) dollars per K-12 student generated from future development, (2) dollars per housing unit and (3) dollars per square foot of future development.

In order to calculate the financial effects described above, the Report needs first to calculate the number of students that will live in a new housing unit and the per-pupil cost of providing school facilities for elementary, middle, and high school students.

### A. Number of Students per New Housing Unit

The Report utilizes 2010 United States Census Data to calculate the Student Generation Rate (SGR) for the District.

Table 1-1 lists the student generation rates for the District.

**Table 1-1  
Student Generation Rates**

<b>Grade Group</b>	<b>Students per Residential Housing Unit</b>
<b>K-5</b>	0.141
<b>6-8</b>	0.060
<b>9-12</b>	0.073
<b>Total</b>	<b>0.274</b>

### B. Cost of Providing School Facilities

The per-pupil cost of providing school facilities for unhoused students is outlined in Table 1-1. The per-pupil facility cost models for the District's planned school facilities are based on estimated costs of projects at specific school sites that have been identified as part of the overall \$1.5 billion investment called for in the District's Facility Master Plan over the next five to ten years.

**Table 1-2  
Per-Pupil Facility Costs for K-12 Students**

Grade Group	Per Pupil Facility Cost for Students from Future Development
K-5	\$31,711
6-8	\$36,974
9-12	\$34,017

**C. Cost of Providing School Facilities per New K-12 Student Generated by Future Development**

The Report determines the facility cost of a K-12 student generated by future development by calculating a weighted average of the facility costs for elementary, middle, and high school students.

The relative size of the three student generation rates for residential housing units tells us that 51.5 percent of students from new units will be elementary students, 21.9 percent will be middle school students, and 26.6 percent will be high school students. Multiplying the respective percentages by the appropriate Per-Pupil Facility Cost from Table 1-2 results in a weighted average facility cost for K-12 students from future residential development.

**Table 1-3  
Weighted Average School Facility Cost for a K-12 Student from Future Residential Development**

Grade Group	Cost Per Pupil	Weighting Based on Student Generation Rate	Weighted Cost Per Pupil
K-5	\$31,711	51.5%	\$16,331
6-8	\$36,974	21.9%	\$8,097
9-12	\$34,017	26.6%	\$9,049
K-12	N/A	N/A	<b>\$33,477</b>

**D. Cost of Providing School Facilities per New Residential Housing Unit**

Table 1-4 multiplies the total number of students per housing unit by the facility costs of K-12 students to calculate a \$9,173 facility cost attributable to future residential housing units.

**Table 1-4**  
**School Facility Cost per New Housing Unit**

<b>K-12 Student Generation Rate</b>	<b>K-12 Per Pupil Facility Cost</b>	<b>Cost Per New Housing Unit</b>
0.274	\$33,477	\$9,173

**E. Cost of Providing School Facilities per Square Foot of Future Residential Development**

This Report calculates the school facility cost per square foot of future development by dividing the cost per housing unit by the average square footage of housing units.

County of Alameda Assessor data accessed through the Metroscan software program indicates that the average square footage of residential units built between 2005 and 2009 was 1,366 square feet. As a result, this Report estimates that new housing units subject to a Level I fee will have an average square footage of 1,366 square feet.

Table 1-5 shows the school facility cost per square foot of new residential housing units.

**Table 1-5**  
**School Facility Cost Per Square Foot of Residential Development**

<b>Facility Cost Per Unit</b>	<b>Average Square Footage</b>	<b>Facility Cost Per Square Foot of Development</b>
\$9,173	1,366	\$6.72

**End of Section**

---

### **III. 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.

#### **A. Fee Revenue from Future Residential Development**

The District has identified 6,255 new residential units that have received City planning review/approval and that could be constructed within the next five years.

As stated in the previous section, the Report estimates that new residential units will average 1,366 square feet over the next five years.

If the District were to collect the maximum allowable Level I fee (\$3.20) on residential development, the District would collect \$27,341,856 in residential developer fees over a five-year projection period.

**Table 1-6  
Revenue from Residential Developer Fees**

<b>New Housing Units</b>	<b>Average Square Footage</b>	<b>Fee Amount</b>	<b>Revenues From Fees on New Housing Units</b>
6,255	1,366	\$3.20	\$27,341,856

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

Fees will also be generated by additions to existing residences. There is no firm basis for estimating the amount of additions to existing homes that may occur in any given year. This Report does not account for the total fee revenue collected from additions to existing residences. However, the fee revenue calculation for additions is the same as for new units. For example, additions totaling 40,000 square feet would generate \$128,000 in fee revenue (40,000 times \$3.20). 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 will also be generated by single- and multi-family 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). There is no firm basis for estimating the amount of reconstruction and/or redevelopment of existing homes that may occur in any given year, so this Report does not account for the total fee revenue

collected for reconstruction and redevelopment. However, the fee revenue calculation for reconstruction and/or redevelopment is the same as for new units. For example, reconstruction and/or redevelopment totaling 50,000 square feet would generate \$160,000 in fee revenue (50,000 times \$3.20).

**D. School Facility Costs Generated by Future Residential Development**

The total school facility cost attributable to future development is calculated by multiplying the following two factors: (1) the number of new housing units and (2) the facility cost per new housing unit. Table 1-7 shows that the total school facility cost attributable to future development is \$57,377,115.

**Table 1-7  
School Facility Cost Generated by Students from Future Development**

New Units	Cost Per New Housing Unit	Total Cost
6,255	\$9,173	\$57,377,115

**E. School Facility Costs Generated by Additions to Existing Residences**

Additions to existing residences will have the same financial effect on the District as new residential units. For example, residential additions of 40,000 square feet will generate an additional eight students (assuming the student generation rate for additions is the same as for new residential units) and a school facilities cost to the District of \$267,816 (eight students times a per-pupil facilities cost of \$33,477). However, as with fee revenues generated by residential additions, this Report does not account for school facility costs generated by additions to existing residences.

**F. School Facility Costs Generated by Reconstruction and Redevelopment**

Reconstruction and redevelopment of existing homes will have the same financial effect on the District as new residential development. For example, reconstruction and/or redevelopment of 50,000 square feet will generate an additional 10 students (assuming the student generation rate for additions is the same as for new residential homes) and a school facilities cost to the District of \$334,770 (10 students times a per pupil facilities cost of \$33,477). As with fee revenues generated by reconstruction and/or redevelopment, this Report does not account for school facility costs generated by this type of work.

**G. Extent of Mitigation of School Facility Costs Provided by Level I Residential Fees**

Table 1-8 shows that \$27,341,856 in total residential Level I fee revenue will cover only 47.6 percent of the \$57,377,115 in total school facility costs attributable to residential development. Some of this shortfall may be recovered from fees on commercial development.

**Table 1-8  
Facility Cost of Residential Development Versus Fee Revenue**

<b>Total School Facility Costs</b>	<b>Total Revenues From Fees</b>	<b>Net Facility Cost to the District</b>
\$57,377,115	\$27,341,856	\$30,035,259

**H. Senior Citizen Restricted Housing**

As required by law, a lower fee, currently the commercial/industrial maximum of \$0.51 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.

**End of Section**

---



## **IV. FINANCIAL EFFECT ON THE DISTRICT OF NEW COMMERCIAL/INDUSTRIAL DEVELOPMENT**

This Section analyzes the costs of providing school facilities for the students generated by new commercial/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 to 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:

- (1) Employees per square foot of new commercial/industrial development,
- (2) Percent of employees in the District that also live in the District,
- (3) Houses per employee,
- (4) Students per house, and
- (5) School facility cost per student.

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

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

As permitted by State law, the Report uses results from a survey published by the San Diego Association of Governments (SanDAG) (see Appendix) to establish the number of employees per square foot of new commercial/industrial development projects.

*(continued on the next page)*

**Table 1-9  
Employees Per Square Foot of Commercial/Industrial  
Development, by Category**

<b>Commercial/Industrial Category</b>	<b>Average Square Foot per Employee</b>	<b>Employees per Average Square Foot</b>
<b>Banks</b>	354	0.00283
<b>Community Shopping Centers</b>	652	0.00153
<b>Neighborhood Shopping Centers</b>	369	0.00271
<b>Industrial Business Parks</b>	284	0.00352
<b>Industrial Parks</b>	742	0.00135
<b>Rental Self Storage</b>	15,541	0.00006
<b>Scientific Research &amp; Development</b>	329	0.00304
<b>Lodging</b>	882	0.00113
<b>Standard Commercial Office</b>	209	0.00479
<b>Large High Rise Com. Office</b>	232	0.00431
<b>Corporate Offices</b>	372	0.00269
<b>Medical Offices</b>	234	0.00427

Source: 1990 SanDAG Traffic Generators report.

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

U.S. Census data regarding travel time to work indicates that approximately 39 percent of people working in the District also live in the District.

**C. Number of Households per Employee**

U.S. Census data indicates that there are approximately 1.08 workers per household. Likewise, this data indicates that there are 0.92 housing units for every one worker. The Report therefore assumes that each new resident worker in the District will demand 0.92 housing units.

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

As outlined in Section II.A., the Report assumes that 0.274 K-12 pupils will reside in each housing unit.

**E. School Facility Cost per Pupil**

As outlined in Section II.C., the Report estimates that the school facility cost per K-12 pupil is \$33,477.

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

Table 1-10 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 Table 1-9.

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.

**Table 1-10  
Facility Cost Per Square Foot of Commercial/Industrial  
Development, by Category**

Category	Employees per Square Foot	% Employees Residing in District	Dwelling Units per Employee	K-12 Students per Dwelling Unit	Cost per K-12 Student	Cost per Square Foot
<b>Banks</b>	0.00283	0.39	0.92	0.274	\$33,477	\$9.31
<b>Community Shopping Centers</b>	0.00153	0.39	0.92	0.274	\$33,477	\$5.04
<b>Neighborhood Shopping Centers</b>	0.00271	0.39	0.92	0.274	\$33,477	\$8.92
<b>Industrial Business Parks</b>	0.00352	0.39	0.92	0.274	\$33,477	\$11.58
<b>Industrial Parks</b>	0.00135	0.39	0.92	0.274	\$33,477	\$4.44
<b>Rental Self-storage</b>	0.00006	0.39	0.92	0.274	\$33,477	\$0.20
<b>Scientific R&amp;D</b>	0.00304	0.39	0.92	0.274	\$33,477	\$10.01
<b>Lodging</b>	0.00113	0.39	0.92	0.274	\$33,477	\$3.72
<b>Standard Com. Offices</b>	0.00479	0.39	0.92	0.274	\$33,477	\$15.80
<b>Large High Rise Com. Offices</b>	0.00431	0.39	0.92	0.274	\$33,477	\$14.22
<b>Corporate Offices</b>	0.00269	0.39	0.92	0.274	\$33,477	\$8.85
<b>Medical Offices</b>	0.00427	0.39	0.92	0.274	\$33,477	\$14.05

The District is justified in collecting the Government Code maximum of \$0.51 per square foot for all categories (except rental self-storage) of commercial/industrial development because these categories, on a per square foot basis, generate a school facility cost greater than the Government Code maximum of \$0.51. Fee amounts for self-storage and other low-employee-generating businesses should be examined on a case-by-case basis.

**G. Calculating School Facility Cost of Commercial/Industrial Development with Residential Fee Offset**

A “residential fee offset” is calculated by (1) determining the number of homes that are associated with the employees generated by new commercial/industrial development and (2) calculating the residential fee revenues the District will collect from those homes (*note: the residential fee offset calculation assumes that all the homes associated with new employees are new homes; in reality, some new employees will live in existing homes*).

For purposes of calculating the residential fee offset, this Report estimates that the District will collect \$3.20 per square foot of future residential development. Subtracting the residential fee offset from the total school facility cost generated by commercial/industrial development produces a discounted school facility cost that takes into account revenues from “linked” residential units.

Table 1-11 calculates the facility cost of new commercial/industrial development while taking into account the revenues from linked residential units.

**Table 1-11  
School Facility Cost of New Commercial/Industrial Development  
Discounted By Residential Fee Offset**

<b>Category</b>	<b>Dwelling Unit per Square Foot Com/Ind</b>	<b>Average Square Foot per Unit</b>	<b>District’s Revenue per Square Foot Res. Dev.</b>	<b>Residential Offset per Com/Ind Square Foot</b>	<b>School Facility Cost per Square Foot Comm/Ind Development</b>	<b>Cost per Square Foot Less Offset</b>
<b>Banks</b>	0.00102	1,366	\$3.20	\$4.46	\$9.12	\$4.66
<b>Community Shopping Centers</b>	0.00055	1,366	\$3.20	\$2.40	\$4.93	\$2.53
<b>Neighborhood Shopping Centers</b>	0.00097	1,366	\$3.20	\$4.24	\$8.74	\$4.50
<b>Industrial Business Parks</b>	0.00126	1,366	\$3.20	\$5.51	\$11.35	\$5.84
<b>Industrial Parks</b>	0.00048	1,366	\$3.20	\$2.10	\$4.35	\$2.25
<b>Rental Self-storage</b>	0.00002	1,366	\$3.20	\$0.09	\$0.19	\$0.10
<b>Scientific R&amp;D</b>	0.00109	1,366	\$3.20	\$4.76	\$9.80	\$5.04
<b>Lodging</b>	0.00041	1,366	\$3.20	\$1.79	\$3.64	\$1.85
<b>Standard Com. Offices</b>	0.00172	1,366	\$3.20	\$7.52	\$15.47	\$7.95
<b>Large High Rise Com. Offices</b>	0.00155	1,366	\$3.20	\$6.78	\$13.93	\$7.15
<b>Corporate Offices</b>	0.00097	1,366	\$3.20	\$4.24	\$8.67	\$4.43
<b>Medical Offices</b>	0.00153	1,366	\$3.20	\$6.69	\$13.76	\$7.07

As the table shows, the school facility cost of all categories (except rental self-storage) is greater than the Government Code maximum of \$0.51 per square foot even when that cost is discounted by revenues from linked residential units. This discounting most likely understates the true facility cost of commercial/industrial development, because 100% of new workers will not live in new homes.

For illustrative purposes, the Report will compare the school facility cost generated by 140,000 square feet of new community shopping center development to the fee revenue it will provide to the District. This analysis is valid, however, for all types of commercial/industrial development except rental self-storage.

If the District charges \$0.51 per square foot of commercial/industrial development, it will collect \$71,400 from the 140,000 square feet of community shopping center development. Assuming that all employees of the community shopping center development live in new homes, the District will also collect \$335,948 in revenue from residential developer fees (140,000 square feet x 0.00153 employees per square foot x 39% employees that live in District x 0.92 housing units per employee x 1,366 square feet per housing unit x \$3.20 revenue from developer fees). The 140,000 square feet of community shopping center development will create a school facilities cost of \$705,600 (140,000 square feet x \$5.04 school facility cost per square foot of community shopping center).

Table 1-12 compares the school facility costs generated by 140,000 square feet of community shopping center development to the fee revenues it provides to the District.

**Table 1-12  
Comparison of Facility Cost and Fee Revenue Generated by  
New Community Shopping Center Development**

	Fee Revenues	Facility Costs	Total Revenues (Costs)
<b>140,000 square feet of community shopping center development</b>	\$71,400	\$705,600	(\$634,200)
<b>New housing units associated with the development</b>	\$335,948	N/A	\$335,948
<b>Total</b>	<b>\$407,348</b>	<b>\$705,600</b>	<b>(\$298,252)</b>

As the table shows, fee revenue from community shopping center development will cover only 57.7 percent of the school facility cost it generates, even when that cost is discounted by the revenues from linked new housing units.

All categories of commercial/industrial development (except self-storage) will generate more facility cost than fee revenue, because they all generate a facility cost greater than \$0.51 per square foot even when fees from linked residential units are considered. Fee amounts for self-storage and other low employee generating businesses should be examined on a case-by-case basis.

**End of Section**

---

## V. 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 and/or reconstructing school campuses and/or additional permanent facilities on existing school campuses. In addition, the District may 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 the Fee's Use and the Type of Project Upon Which the 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 described in Section I of this Report, in order to provide facilities for students from future development, the District plans to direct sustainable and efficient use of resources in support of Full Service Community Schools, facility modernizations, and seismic

safety upgrades throughout the District. 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 development will also generate new students in the District. As described in Section I of this Report, in order to provide facilities for students from future development, the District plans to direct sustainable and efficient use of resources in support of Full Service Community Schools, facility modernizations, and seismic safety upgrades throughout the District. 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 the Fee is Imposed**

As described in Section I of this Report, the District's current classroom facilities require substantial capital investments in order to provide ongoing improvement to support a Full Service Community School District that serves children, youth and their families. The District, therefore, does not have sufficient existing capacity 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 build 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 costs attributable to future residential development is \$6.72. Level I fees of \$3.20 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 from \$1.93 per square foot to \$8.28 per square foot, even when fees from linked residential units are accounted for. Level I fees of \$0.51 on these types of development are therefore fully justified. The school facility cost attributable to rental self-storage units is \$0.10 per square foot when fees from linked residential units are accounted for. Fees for this type and other low-employee-generating types of development should be examined on a case-by-case basis.

All school facility costs and fees in this Report are calculated on a per-student basis to ensure that future developments only pay for impacts they cause.

On November 6, 2012, the District's voters passed Measure J authorizing \$475 million in capital improvements. While this revenue is not yet available to the District, even after accounting for Measure J, the District's capital facility revenue is insufficient to mitigate the impact of new residential development.

## **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 solely to meet the District's non-facility needs.

### 2) State Programs

The District has been approved for eligibility for State funding for construction of new school facilities under the 1998 Leroy F. Greene School Facility Program. Even projects funded at 100 percent of the State allowance, however, often experience a shortfall between State funding and the District's actual facility needs. State funds for deferred maintenance may not 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 out of property taxes. On November 6, 2012, the District's voters approved Measure J, a \$475 million bond for school facilities.

### 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 minor and are 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 land owners 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) Alternatives for Reducing Facility Costs

Alternatives to reducing facility costs that have been used and/or explored by the District include additional portable classrooms, joint use of facilities, multi-track-year-round education, and other measures. These options remain available to the District in the future.

**End of Section**

---

## **VI. RECOMMENDATIONS**

This Report recommends that the District levy the statutory maximum fee authorized by Government Code Section 65995 on new residential development, up to \$6.72 per square foot). The Report also recommends that the District levy the maximum fee as authorized by Government Code Section 65995 on all categories of commercial/industrial development except rental self-storage. Developer fees for this and other types of low-employee generating developments should be examined on a case-by-case basis.

These recommendations are based on the findings that residential and commercial/industrial development (except for rental self-storage) create a school facility cost for the District that is larger than the revenue generated by charging these fees.

**End of Report**

---

## **Appendix**

Employee Statistics From  
The San Diego Association of Governments  
by Various Categories of Commercial/Industrial Development

## Appendix

### Employee Statistics From the San Diego Association of Governments by Various Categories of Commercial/Industrial Development (from Traffic Generators Report January 1990)

	Employees	Total Sq. ft	Sq Ft / Employee	Employee Per Sq. ft
<b>Banks</b>				
Calif. First	57	13,400	354	0.00283
Southwest	11	3,128		
Mitsubishi	14	6,032		
Security Pacific	22	14,250		
Total	104	36,810		
Average	26	9,203		
<b>Community Shopping Centers</b>				
Rancho Bernardo Towne Center	273	139,545	652	0.00153
Plaza De Las Cuatro Banderas	227	186,222		
Rancho San Diego Village	N/A	N/A		
Total	500	325,767		
Average	250	162,884		
<b>Neighborhood Shopping Centers</b>				
Town and Country	217	70,390	369	0.00271
Tierrasanta II	87	49,080		
Palm Plaza	143	47,850		
Westwood Center	173	61,285		
Total	620	228,605		
Average	155	57,151		
<b>Industrial Business Parks</b>				
Convoy Ct / St. Parks	955	224,363	284	0.00352
Sorrento Valley Blvd. / Ct. Complexes	2,220	610,994		
Ronson Court	848	206,688		
Pioneer Industrial Project	N/A	N/A		
Sorrento Valley	N/A	N/A		
Torrey Business & Research	739	243,829		
Ridgehaven Court	823	213,449		
Ponderosa Avenue Industrial	245	158,983		
Total	5,830	1,658,306		
Average	972	276,384		

	Employees	Total Sq. ft	Sq Ft / Employee	Employee Per Sq. ft
<b>Industrial Parks</b>				
Sorrento West	725	614,922	742	0.00135
Roselle Street	761	500,346		
Stromesa Street	200	136,124		
Total	1,686	1,251,392		
Average	562	417,131		
<b>Rental Self-Storage</b>				
Poway Storage	2	32,000	17,096	0.00006
Lively Center	2	20,000		
Brandon Street Mini-Storage	2	31,348		
Melrose Mini-Storage	2	28,280		
Lock-It Lockers Storage	3	59,325		
Total	11	170,953		
Average	2	34,191		
<b>Scientific Research and Development</b>				
Johnson & Johnson Biotechnology Center	39	22,031	329	0.00304
IVAC Corporation	1,300	315,906		
TRW/LSI Products	350	145,192		
Nissan Design International	26	40,184		
Salk Institute	500	318,473		
S-Cubed Corporation	160	56,866		
Torrey Pines Science Park	2,333	649,614		
Total	4,708	1,548,266		
Average	673	221,181		
<b>Lodging</b>				
San Diego Hilton	139	223,689	882	0.00113
Hyatt Islandia	320	250,000		
La Jolla Village Inn	180	129,300		
Hanalei Hotel	310	267,000		
Vagabond Inn	12	22,548		
Fabulous Inn & E-Z8 Motel	92	92,731		
Vacation Village	234	151,134		
Total	1,287	1,136,402		
Average	184	162,343		

	Employees	Total Sq. ft	Sq Ft / Employee	Employee Per Sq. ft
<b>Standard Commercial Office</b>				
Industrial Indemnity Bldg.	170	34,300	208	0.00480
Beta Bldg.	110	29,400		
Park Camino Bldg.	299	55,500		
2181 E.C.R. Bldg.	47	10,000		
Camino Real Financial Center	23	6,300		
Total	649	135,500		
Average	130	27,100		
<b>Large High Rise Com. Office</b>				
Mission Valley Financial Center (Security Pacific)	900	185,600	232	0.00432
Lion Plaza Building	462	109,900		
Crossroads Limited Building (Crocker and Xerox)	512	138,900		
Total	1,874	434,400		
Average	625	144,800		
<b>Corporate Offices</b>				
Equitable Life	200	53,900	372	0.00269
Bank of America Processing Center	300	110,000		
Home Federal Processing Center	1,150	450,000		
Trade Services Publications	270	82,000		
IRT Corporation	210	89,500		
Earl Walls & Assoc.	43	15,000		
Four Winds International Headquarters	220	90,914		
Total	2,393	891,314		
Average	342	127,331		
<b>Medical Offices</b>				
Chula Vista Doctors' Park	108	24,000	234	0.00427
Parkway Medical Group	65	17,620		
Campus Medical-Dental Center	115	25,900		
Total	288	67,520		
Average	96	22,507		

**RESOLUTION OF THE BOARD OF EDUCATION  
OF THE OAKLAND UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 1213-0090**

**RESOLUTION APPROVING AN INCREASE IN  
STATUTORY SCHOOL FACILITY FEES (LEVEL 1) IMPOSED ON NEW  
RESIDENTIAL AND COMMERCIAL INDUSTRIAL CONSTRUCTION  
PURSUANT TO EDUCATION CODE SECTION 17620 AND  
GOVERNMENT CODE SECTION 65995**

**WHEREAS**, the Board of Education ("Board") of the Oakland Unified School District ("District") provides for the educational needs for Grade K-12 students within the City of Oakland ("City") and the County of Alameda ("County"); and

**WHEREAS**, on January 25, 2012, the State Allocation Board ("SAB") authorized an adjustment in the Statutory School Fee amounts for unified school districts pursuant to Government Code Section 65995(b)(3) to \$3.20 per square foot for assessable space of new residential construction and \$0.51 per square foot of chargeable covered and enclosed space for the categories of new commercial/industrial construction ("Level 1 Fee" or collectively "Level 1 Fees" ), as long as such increases are properly justified by the District pursuant to law; and

**WHEREAS**, new residential and commercial/industrial construction continues to generate additional students for the District's schools and the District is required to provide school facilities ("School Facilities") to accommodate those students; and

**WHEREAS**, the District does not have sufficient funds available for the construction or reconstruction of the School Facilities, including acquisition of sites, construction of permanent School Facilities, and acquisition of interim School Facilities, to accommodate students from new residential and commercial/industrial construction; and

**WHEREAS**, the Board has received and considered a report entitled "School Facility Fee Justification Report for Residential, Commercial and Industrial Development Projects" ("Study") which identifies the purpose and use for the Fees and sets forth a reasonable relationship between the Level 1 Fees to be imposed, the type of development project on which the Level 1 Fees are to be imposed, and the increased needs of School Facilities made necessary by the burden imposed by the development; and

**WHEREAS**, the Study was made available to the public for at least ten (10) days before the Board considered at a regularly scheduled public meeting the increase in the Level 1 Fees; and

**WHEREAS**, Prior to the adoption of this Resolution, the Board conducted a public hearing at which oral and/or written presentations were made as part of the Board's regularly scheduled February 13, 2013, meeting. Notice of the time and place of the meeting, including the general explanation of the matter to be considered, has been published in the Oakland Tribune in accordance with Government Code sections 66017 and 66018. Additionally, at least ten (10) days prior to the meeting, the District made all relevant information available to the public indicating the cost, or estimated cost, of the construction or reconstruction of School Facilities made necessary by the residential and/or commercial/industrial development to which the Level 1 Fees shall apply; and

**RESOLUTION OF THE BOARD OF EDUCATION  
OF THE OAKLAND UNIFIED SCHOOL DISTRICT  
RESOLUTION NO. 1213-0090**

**RESOLUTION APPROVING AN INCREASE IN  
STATUTORY SCHOOL FACILITY FEES (LEVEL 1) IMPOSED ON NEW  
RESIDENTIAL AND COMMERCIAL INDUSTRIAL CONSTRUCTION  
PURSUANT TO EDUCATION CODE SECTION 17620 AND  
GOVERNMENT CODE SECTION 65995**

**WHEREAS**, the Board of Education ("Board") of the Oakland Unified School District ("District") provides for the educational needs for Grade K-12 students within the City of Oakland ("City") and the County of Alameda ("County"); and

**WHEREAS**, on January 25, 2012, the State Allocation Board ("SAB") authorized an adjustment in the Statutory School Fee amounts for unified school districts pursuant to Government Code Section 65995(b)(3) to \$3.20 per square foot for assessable space of new residential construction and \$0.51 per square foot of chargeable covered and enclosed space for the categories of new commercial/industrial construction ("Level 1 Fee" or collectively "Level 1 Fees" ), as long as such increases are properly justified by the District pursuant to law; and

**WHEREAS**, new residential and commercial/industrial construction continues to generate additional students for the District's schools and the District is required to provide school facilities ("School Facilities") to accommodate those students; and

**WHEREAS**, the District does not have sufficient funds available for the construction or reconstruction of the School Facilities, including acquisition of sites, construction of permanent School Facilities, and acquisition of interim School Facilities, to accommodate students from new residential and commercial/industrial construction; and

**WHEREAS**, the Board has received and considered a report entitled "School Facility Fee Justification Report for Residential, Commercial and Industrial Development Projects" ("Study") which identifies the purpose and use for the Fees and sets forth a reasonable relationship between the Level 1 Fees to be imposed, the type of development project on which the Level 1 Fees are to be imposed, and the increased needs of School Facilities made necessary by the burden imposed by the development; and

**WHEREAS**, the Study was made available to the public for at least ten (10) days before the Board considered at a regularly scheduled public meeting the increase in the Level 1 Fees; and

**WHEREAS**, Prior to the adoption of this Resolution, the Board conducted a public hearing at which oral and/or written presentations were made as part of the Board's regularly scheduled February 13, 2013, meeting. Notice of the time and place of the meeting, including the general explanation of the matter to be considered, has been published in the Oakland Tribune in accordance with Government Code sections 66017 and 66018. Additionally, at least ten (10) days prior to the meeting, the District made all relevant information available to the public indicating the cost, or estimated cost, of the construction or reconstruction of School Facilities made necessary by the residential and/or commercial/industrial development to which the Level 1 Fees shall apply; and



**WHEREAS**, Education Code section 17621 specifically exempts the adoption, increase or imposition of any fee, charge or dedication or other requirements pursuant to Education Code section 17620 from the provisions of the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code (“CEQA”); and

**WHEREAS**, upon a determination that the imposition of the Level 1 Fees under Education Code section 17620 is exempt from CEQA, the District is entitled to file a Notice of Exemption with the County Clerk pursuant to California Code of Regulations, Title 14, section 15602.

**NOW THEREFORE**, the Board of Education of the Oakland Unified School District hereby resolves, determines, and finds the following:

**Section 1.** The purpose of the Level 1 Fees is to provide adequate School Facilities for the students of the District who will be generated by residential and commercial/industrial development in the District.

**Section 2.** The Level 1 Fees are to be used to finance the construction and reconstruction of School Facilities, or to purchase or lease interim School Facilities pending the construction of permanent facilities or to purchase or lease land for School Facilities.

**Section 3.** There is a reasonable relationship between the need for the imposition of the Level 1 Fees and the types of development project upon which the Level 1 Fees shall be imposed for the purpose of construction or reconstruction of School Facilities, in that residential, commercial and industrial development will generate students who will attend District schools. These students cannot be housed by the District without causing the District to incur additional costs to maintain to School Facilities and/or the reconstruct existing School Facilities. The Level 1 Fees will used to fund all, or a portion of, new School Facilities, or to reconstruct existing School Facilities, or to purchase or lease interim School Facilities.

**Section 4.** There is a reasonable relationship between the amount of the Level 1 Fees and the cost of the additional or reconstructed School Facilities attributable to the development upon which the Level 1 Fees shall be imposed, in that the square footage of these developments has a direct relationship to the number of students that will be generated, and thus to the School Facilities the District must maintain and/or reconstruct in order to accommodate the additional students.

**Section 5.** The District maintains a separate capital facilities account, or fund, as required by Government Code section 66006 for the deposit of the Level 1 Fees.

**Section 6.** The Board hereby approves and adopts the Study and incorporates herein by reference the Study prepared by School Facility Consultants, dated December 2012, which documents the need for the Level 1 Fees.

**Section 7.** The Board hereby increases the Fee imposed on new residential development projects in the following amounts:

a. \$3.20 per square foot of assessable space for new residential construction, including new residential projects, manufactured homes and mobile homes as authorized under Education Code Section 17625, and including residential construction or reconstruction other than new construction where such construction or reconstruction results in an increase of assessable space, as defined in Government Code Section 65995, in excess of five hundred (500) square feet.

**WHEREAS**, Education Code section 17621 specifically exempts the adoption, increase or imposition of any fee, charge or dedication or other requirements pursuant to Education Code section 17620 from the provisions of the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code (“CEQA”); and

**WHEREAS**, upon a determination that the imposition of the Level 1 Fees under Education Code section 17620 is exempt from CEQA, the District is entitled to file a Notice of Exemption with the County Clerk pursuant to California Code of Regulations, Title 14, section 15602.

**NOW THEREFORE**, the Board of Education of the Oakland Unified School District hereby resolves, determines, and finds the following:

**Section 1.** The purpose of the Level 1 Fees is to provide adequate School Facilities for the students of the District who will be generated by residential and commercial/industrial development in the District.

**Section 2.** The Level 1 Fees are to be used to finance the construction and reconstruction of School Facilities, or to purchase or lease interim School Facilities pending the construction of permanent facilities or to purchase or lease land for School Facilities.

**Section 3.** There is a reasonable relationship between the need for the imposition of the Level 1 Fees and the types of development project upon which the Level 1 Fees shall be imposed for the purpose of construction or reconstruction of School Facilities, in that residential, commercial and industrial development will generate students who will attend District schools. These students cannot be housed by the District without causing the District to incur additional costs to maintain to School Facilities and/or the reconstruct existing School Facilities. The Level 1 Fees will used to fund all, or a portion of, new School Facilities, or to reconstruct existing School Facilities, or to purchase or lease interim School Facilities.

**Section 4.** There is a reasonable relationship between the amount of the Level 1 Fees and the cost of the additional or reconstructed School Facilities attributable to the development upon which the Level 1 Fees shall be imposed, in that the square footage of these developments has a direct relationship to the number of students that will be generated, and thus to the School Facilities the District must maintain and/or reconstruct in order to accommodate the additional students.

**Section 5.** The District maintains a separate capital facilities account, or fund, as required by Government Code section 66006 for the deposit of the Level 1 Fees.

**Section 6.** The Board hereby approves and adopts the Study and incorporates herein by reference the Study prepared by School Facility Consultants, dated December 2012, which documents the need for the Level 1 Fees.

**Section 7.** The Board hereby increases the Fee imposed on new residential development projects in the following amounts:

a. \$3.20 per square foot of assessable space for new residential construction, including new residential projects, manufactured homes and mobile homes as authorized under Education Code Section 17625, and including residential construction or reconstruction other than new construction where such construction or reconstruction results in an increase of assessable space, as defined in Government Code Section 65995, in excess of five hundred (500) square feet.

b. \$0.51 per square foot of assessable space, for new residential construction used exclusively for the housing of senior citizens, as described in Section 51.3 of the Civil Code or as described in subdivision (k) of Section 1596.2 of the Health and Safety Code or a multi level facility as described in paragraph 9 of subdivision (d) of Government Code Section 15432, or any mobile home or manufactured home that is located within a mobile home park, subdivision, cooperative or condominium for mobile homes limited to older persons as defined by the Federal Fair Housing Amendments of 1988.

**Section 8.** The Board hereby increases the Fee imposed on new commercial/industrial construction projects to \$0.51 per square foot of chargeable covered and enclosed space for all categories of commercial/industrial construction.

**Section 9.** The District's Superintendent, or designee, shall give notice of the Board's action herein to all cities and counties with jurisdiction over the territory of the District in accordance with the requirements of Education Code sections 17620 and 17621, requesting that no building permits (or, for manufactured homes and mobile homes, certificates of occupancy) be issued on or after the date which is sixty (60) days after the date of this Resolution, without certification from the District that the applicable Fee has been paid.

**Section 10.** The Superintendent is authorized to cause a Certificate of Compliance to be issued for each development project, mobile home and manufactured home for which there is compliance with the requirement for payment of the Level 1 Fees in the amounts specified by this Resolution.

**Section 11.** The increase in the Level 1 Fees will become effective sixty (60) days from the date of this Resolution unless a separate resolution increasing the fees immediately on an urgency basis is adopted by the Board.

**Section 12.** Developers of commercial or industrial development shall be provided the opportunity for a hearing to appeal the imposition of the Fee on their developments.

**Section 13.** Nothing contained or expressed in this Resolution shall be construed to affect the District's authority to increase Level 1 Fees, enter into agreements with developers, or otherwise adopt or impose, to the extent permitted by law, additional fees, to fully mitigate the impact of residential and/or commercial/industrial development upon the District's School Facilities.

**Section 14.** The District's administration and staff are authorized to make expenditures and to incur obligations of the Level 1 Fees for the purposes authorized by law.

**Section 15.** The CEQA Notice of Exemption regarding the imposition of the Level 1 Fees is hereby approved and directs the Superintendent or his designee to file the CEQA Notice of Exemption, together with a copy of this Resolution, with the County Clerk of any county in which the District is authorized to collect Level 1 Fees pursuant to Education Code section 17621.

**Section 16.** The Superintendent or his designee is directed to file a copy of this Resolution, together with all relevant supporting documentation and a map clearly indicating the boundaries of the area subject to the Level 1 Fees, to each city and each county in which the District is situated, pursuant to Education Code section 17621.



Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Alameda
1106 Madison Street
Oakland, CA 94607

From: (Public Agency): Oakland Unified School District
1025 Second Avenue
Oakland, CA 94606-2212
(Address)

Project Title: Adoption of Developer Fees

Project Applicant: Oakland Unified School District

Project Location - Specific:

Project Location - City: Oakland Project Location - County: Alameda

Description of Nature, Purpose and Beneficiaries of Project:
The purpose of adopting and collecting developer 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.

Name of Public Agency Approving Project: Oakland Unified School District

Name of Person or Agency Carrying Out Project: Oakland Unified School District

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
Declared Emergency (Sec. 21080(b)(3); 15269(a));
Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
Categorical Exemption. State type and section number:
Statutory Exemptions. State code number: Education Code section 17621

Reasons why project is exempt:
Education Code section 17621 specially exempts the adoption, increase or imposition of any fee, charge, dedication or other levies against development projects by school districts from the requirements of the California Environmental Quality Act, Division 13 (commencing with section 21000) of the Public Resources Code. A copy of Education Code section 17261 is attached hereto as Exhibit "A".

Lead Agency Contact Person: Tadashi Nakadegawa Area Code/Telephone/Extension: 510-535-7038

If filed by applicant:

- 1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: Date: Title: Director of Facilities

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code. Date Received for filing at OPR:
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

## EXHIBIT A

### EDUCATION CODE § 17621. Procedures for adoption or increase of levy; protest

(a) Any resolution adopting or increasing a fee, charge, dedication, or other requirement pursuant to Section 17620, for application to residential, commercial, or industrial development, shall be enacted in accordance with Chapter 5 (commencing with Section 66000) of Division 1 of Title 7 of the Government Code. The adoption, increase, or imposition of any fee, charge, dedication, or other requirement pursuant to Section 17620 shall not be subject to the California Environmental Quality Act, Division 13 (commencing with Section 21000) of the Public Resources Code. The adoption of, or increase in, the fee, charge, dedication, or other requirement shall be effective no sooner than 60 days following the final action on that adoption or increase, except as specified in subdivision (b).

(b) Without following the procedure otherwise required for adopting or increasing a fee, charge, dedication, or other requirement, the governing board of a school district may adopt an urgency measure as an interim authorization for a fee, charge, dedication, or other requirement, or increase in a fee, charge, dedication, or other requirement, where necessary to respond to a current and immediate threat to the public health, welfare, or safety. The interim authorization shall require a four-fifths vote of the governing board for adoption, and shall contain findings describing the current and immediate threat to the public health, welfare, or safety. The interim authorization shall have no force or effect on and after a date 30 days after its adoption. After notice and hearing in accordance with subdivision (a), the governing board, upon a four-fifths vote of the board, may extend the interim authority for an additional 30 days. Not more than two extensions may be granted.

(c) Upon adopting or increasing a fee, charge, dedication, or other requirement pursuant to subdivision (a) or (b), the school district shall transmit a copy of the resolution to each city and each county in which the district is situated, accompanied by all relevant supporting documentation and a map clearly indicating the boundaries of the area subject to the fee, charge, dedication, or other requirement. The school district governing board shall specify, pursuant to that notification, whether or not the collection of the fee or other charge is subject to the restriction set forth in subdivision (a) of Section 66007 of the Government Code.

(d) Any party on whom a fee, charge, dedication, or other requirement has been directly imposed pursuant to Section 17620 may protest the establishment or imposition of that fee, charge, dedication, or other requirement in accordance with Section 66020 of the Government Code, except that the procedures set forth in Section 66021 of the Government Code are deemed to apply, for this purpose, to commercial and industrial development, as well as to residential development.

(e) In the case of any commercial or industrial development, the following procedures shall also apply:

(1) The school district governing board shall, in the course of making the findings required under subdivisions (a) and (b) of Section 66001 of the Government Code, do all of the following:

(A) Make the findings on either an individual project basis or on the basis of categories of commercial or industrial development. Those categories may include, but are not limited to, the following uses: office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse.

(B) Conduct a study to determine the impact of the increased number of employees anticipated to result from the commercial or industrial development upon the cost of providing school facilities within the district. For the purpose of making that determination, the study shall utilize employee generation estimates that are calculated on either an individual project or categorical basis, in accordance with subparagraph (A). Those employee generation estimates shall be based upon commercial and industrial factors within the district or upon, in whole or in part, the applicable employee generation estimates set forth in the January 1990 edition of "San Diego Traffic Generators," a report of the San Diego Association of Governments.

## EXHIBIT A

(C) The governing board shall take into account the results of that study in making the findings described in this subdivision.

(2) In addition to any other requirement imposed by law, in the case of any development project against which a fee, charge, dedication, or other requirement is to be imposed pursuant to Section 53080 on the basis of a category of commercial or industrial development, as described in paragraph (1), the governing board shall provide a process that permits the party against whom the fee, charge, dedication, or other requirement is to be imposed the opportunity for a hearing to appeal that imposition. The grounds for that appeal include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the fee, charge, dedication, or other requirement is to be imposed, or that the employee generation or pupil generation factors utilized under the applicable category are inaccurate as applied to the project. The party appealing the imposition of the fee, charge, dedication, or other requirement shall bear the burden of establishing that the fee, charge, dedication, or other requirement is improper.

CREDIT(S)

(Added by Stats.1996, c. 277 (S.B.1562), § 3, operative Jan. 1, 1998. Amended by Stats.1998, c. 689 (S.B.1362), § 1.3; Stats.2010, c. 541 (A.B.2048), § 2.)