



IRVINE UNIFIED SCHOOL DISTRICT

**ANNUAL AND FIVE-YEAR  
DEVELOPER FEE REPORT  
FOR FISCAL YEAR 2022/2023**

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## SECTION I. EXECUTIVE SUMMARY

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Under Education Code 17620 *et seq.*, school districts may levy fees (“School Fees”) in order to offset the impacts to school facilities from new residential and commercial development. Commencing January 1, 1987, statutory school fees were authorized to be levied in the amount of \$1.50 per square foot of new residential assessable space and \$0.25 per square foot of enclosed commercial or industrial assessable space (“Level 1 Fees”), and are subject to an increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the State Allocation Board every two years. With the passage of Senate Bill 50 (the Leroy F. Greene School Facilities Act) in 1998, the State School Facility Program was established, and provides school districts with the option of adopting alternative school fees (also known as “Level II Fees” and “Level III Fees”) in excess of the Level I Fee upon meeting certain requirements, and are valid for a maximum of one (1) year.

In accordance with Government Code Sections 66001 and 66006, the Irvine Unified School District (“School District”) shall, within 180 days after the last day of the fiscal year and at least 15 days prior to a public meeting of the Board of Education, make available to the public certain information regarding the collection and expenditure of School Fees collected under the authorization of Education Code Section 17620 *et seq* and Government Code Section 65995 *et seq.*

This information shall consist of the following for the prior fiscal year (the “Annual Report”):

- Beginning balances
- Ending balances
- Amount of School Fees Collected
- Interest earned
- Identification of any inter-fund transfers or loans, if applicable
- Amounts of any refunds
- Identification of the program on which School Fees were expended, including the percentage of the cost of the project funded by School Fees in connection with school facilities to accommodate additional students from new development if funded or partially funded with School Fees.
- Identification of an approximate date by which the construction of the public improvement will commence if the School District determines that sufficient funds have been collected to complete financing on an incomplete public improvement.

In addition, the School District must identify the following information with respect to the portion of the School Fee account and/or subaccounts remaining unexpended, whether committed or uncommitted (the “Five-Year Report”):

- Identification of the purpose to which the School Fee is to be expended
- Demonstration of a reasonable relationship between the School Fee and the purpose for which it is charged
- Identification of all sources and amounts of funding anticipated to complete financing for incomplete projects and the approximate date funding is expected to be deposited.

For the purposes of annual and five-year reporting requirements, School Fees do not include letters of credit and bond proceeds secured by payment of School Fees at a future date; revenues from developments under special mitigation agreements; or any other financing instrument used by the School District to fund school facilities construction and improvements.

The Board of Education will review the Annual Report and Five-Year Report (collectively the “Report”) at the next regularly scheduled Board meeting, at least 15 days after the Report was made available to the public. In addition, at least 15 days prior to the meeting, the School District will post a public notice of the time and place of the meeting, including information with respect to where the Report may be reviewed, and will mail the public notice to any interested party who filed a written request with the School District for mailed notice of such meeting.

## SECTION II. ANNUAL REPORTING REQUIREMENTS

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This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year (“FY”) 2022/2023.

### A. TYPE AND AMOUNT OF FEE

School Fees are deposited into the Capital Facilities Fund, Fund 25, which is used primarily to account separately for monies received from fees levied upon development projects as a condition of approval. The School District collected Level I Fees on residential and commercial development in FY 2022/2023, which are collected pursuant to Sections 17620 et seq. of the Education Code and Sections 66001 and 65995 et seq. of the Government Code. Level I Fees are levied per square footage of assessable space for commercial/industrial construction/reconstruction and residential construction/reconstruction (primarily residential additions).

The amounts and effective dates for the School Fees authorized to be levied by the School District’s Board of Education after adoption and during the FY 2022/2023 are set forth in the table below by School Fee type.

FEE TYPE	DEVELOPMENT CLASS	EFFECTIVE DATES FOR FISCAL YEAR 2022/2023	SCHOOL FEE PER SQUARE FOOT
Level I	Residential <sup>(1)</sup>	July 1, 2022 – June 30, 2023	\$4.79
	Commercial/ Industrial <sup>(1)</sup>	July 1, 2022 – June 30, 2023	Construction - \$0.78 Storage - \$0.056

<sup>(1)</sup> Adopted by the Board of Education on April 19, 2022 by Resolution Number No. 21-22-27, effective June 20, 2022.

**B. BEGINNING AND ENDING BALANCE OF ACCOUNT, SCHOOL FEES COLLECTED, INTEREST EARNED AND DISBURSEMENTS (GOVERNMENT CODE SECTION 66006(B) (C) AND (D))**

In FY 2022/2023, School Fees were deposited and expended from Fund 25 in the amounts as follows:

ITEM	AMOUNT
<b>Beginning Balance July 1, 2022</b>	<b>\$12,167,663.64</b>
<i>Revenues:</i>	
School Fees Collected	\$399,563.27
Interest Earned	\$295,034.81
<i>Revenues Subtotal:</i>	<i>\$694,598.08</i>
<i>Disbursements:</i>	
Project Expenditures (Detail found in Section II.C below)	\$1,632,838.42
Miscellaneous Transfers Out <sup>(1)</sup>	\$656,689.67
<i>Disbursements Subtotal:</i>	<i>\$2,289,528.09</i>
<b>Ending Balance June 30, 2023</b>	<b>\$10,572,733.63</b>

<sup>(1)</sup> Includes amounts paid to the Santa Ana Unified School District ("SAUSD") for school fees collected on a development project determined to be within SAUSD's jurisdictional boundaries, and a refund for a cancelled development project.

**C. IMPROVEMENTS ON WHICH SCHOOL FEES WERE EXPENDED**

Government Code Section 66006 (b) (1) (E) requires an identification of public improvements upon which School Fees were expended, along with the amounts and percentage of total project expenditures that were funded by School Fees. Project costs, as well as internal and external costs associated with State School Facility Program administration are itemized on the following page.

PROJECT	AMOUNT PAID DURING FISCAL YEAR 2022/2023	PERCENTAGE OF PROJECT TOTAL FUNDED
Beacon Park (K-8) School <i>Relocatable Classrooms</i>	\$16,369.24	100.00%
Culverdale Elementary School <i>Relocatable Classrooms</i>	\$135,890.11	100.00%
Eastshore Elementary School <i>Relocatable Classrooms</i>	\$12,360.00	100.00%
Eastwood Elementary School <i>Relocatable Classrooms</i>	\$10,800.00	100.00%
Oak Creek Elementary School <i>Modular Classroom Building</i>	\$18,500.00	100.00%
Oak Creek Elementary School <i>Relocatable Classrooms</i>	\$12,360.00	100.00%
Westpark Elementary School <i>Relocatable Classrooms</i>	\$12,360.00	100.00%
Woodbridge High School <i>Relocatable Classrooms</i>	\$47,284.49	100.00%
University Park Elementary School <i>New Classroom Building (8 classrooms)</i>	\$1,268,724.00	100.00%
<b>Districtwide</b>		
<i>Publishing Rates</i>	\$2,289.14	100.00%
<i>Professional/Consulting Services</i>	\$38,619.65	100.00%
<i>Developer Fee Inquiries</i>	\$3,136.72	100.00%
<i>Enrollment Projections</i>	\$54,145.07	100.00%
<b>Total</b>	<b>\$1,632,838.42</b>	<b>N/A</b>

**D. ANTICIPATED DATES OF COMMENCEMENT FOR SUFFICIENTLY FUNDED AND INCOMPLETE PUBLIC IMPROVEMENT PROJECTS**

Should the School District determine that sufficient funds are available to complete an incomplete public improvement project, pursuant to Government Code 66006 (b) (1) (F), the School District must identify an approximate date by which construction of the public improvement will commence. Ongoing public improvement expenditures that have received sufficient funding are detailed below.

PROJECT	ANTICIPATED DATE OF COMMENCEMENT
Beacon Park (K-8) School <i>Relocatable Classroom</i>	June 2019
Culverdale Elementary School <i>Relocatable Classrooms</i>	June 2023
Eastshore Elementary School <i>Relocatable Classroom</i>	June 2017
Eastwood Elementary School <i>Relocatable Classrooms</i>	June 2019
Oak Creek Elementary School <i>Relocatable Classrooms</i>	July 2019
University Park Elementary School <i>Relocatable Classrooms</i>	January 2021
Westpark Elementary School <i>Relocatable Classrooms</i>	June 2016
Woodbridge High School <i>Relocatable Classrooms</i>	June 2017

**E. INTERFUND TRANSFERS OR LOANS**

Government Code Section 66006 (b) (1) (G) requires the description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan. No interfund loans or transfers were made during the reporting period.

**F. REFUNDS OF SCHOOL FEES**

Government Code Section 66001 (e) stipulates that the School District is required to refund unexpended portions of fees and interest accrued to property owners, should the School District determine that sufficient funds have become available to complete any incomplete projects (as described under Government Code 66006 (b) (1) (F)) but not identify an approximate date by which construction of the public improvements will commence within



180 days, subject to exceptions described under Government Code 66001 (f). However, no such refunds were issued in the 2022/2023 fiscal year.

### SECTION III. FIVE-YEAR REPORTING REQUIREMENTS

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Government Code Section 66001 requires the following information to be provided with respect to unexpended funds in the account.

**A. PURPOSE TO WHICH THE SCHOOL FEE IS TO BE EXPENDED**

The purpose of the School Fees collected on new residential and commercial/industrial development is to fund construction and reconstruction of school facilities required to serve students generated by new development within the School District. For additional information on specific projects for which School Fees are anticipated to be expended, please refer to the table found in Section III. C of this report.

**B. REASONABLE RELATIONSHIP BETWEEN THE SCHOOL FEE AND THE PURPOSE FOR WHICH IS CHARGED**

The purpose of the School Fees collected on new residential and commercial/industrial development is to fund construction and reconstruction of school facilities required to serve the students generated by new development within the School District. The Fee Justification Study approved on April 19, 2022 demonstrates the roughly proportional, and reasonable relationship between the new residential, commercial and industrial development upon which School Fees are charged and the need for additional school facilities by reason of the fact that additional students will be generated by new development within the School District and the School District does not have capacity in its existing school facilities to accommodate these new students. The School Fees charged on new development will be used to fund school facilities needed to serve the students generated from new development. Additionally, the School Fees do not exceed the cost of providing school facilities for the new students generated from new development.

**C. IDENTIFICATION OF ALL SOURCES AND AMOUNTS OF FUNDING ANTICIPATED TO COMPLETE FINANCING FOR INCOMPLETE PROJECTS AND THE APPROXIMATE DATE FUNDING IS EXPECTED TO BE DEPOSITED**

The following table provides the information required by Government Code Section 66001(d)(1) (C) and (D). The information is reported as of the date of this report and is subject to change.

PROJECT NAME	SOURCE OF FUNDING <sup>(1)</sup>	EXPECTED DEPOSIT DATE	ANTICIPATED FUNDING AMOUNT	REMAINING TOTAL ESTIMATED PROJECT COSTS
Anticipated Growth <sup>(2)</sup>	Developer Fees	As Available	\$3,000,000.00	\$3,000,000.00
Beacon Park (K-8) School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$31,468.00	\$31,468.00
Culverdale Elementary School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$2,704,116.00	\$2,704,116.00
Eastshore Elementary School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$31,620.00	\$31,620.00
Eastwood Elementary School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$17,700.00	\$17,700.00
Oak Creek Elementary School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$31,620.00	\$31,620.00
Oak Creek Elementary School <i>Modular Classroom Building</i> <sup>(4)</sup>	Developer Fees	As Available	\$8,000,000.00	\$8,000,000.00
Westpark Elementary School <i>Relocatable Classrooms</i> <sup>(3)</sup>	Developer Fees	On hand	\$24,720.00	\$24,720.00
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>\$13,841,244.00</b>	<b>\$13,841,244.00</b>

- (1) Any funding from General Obligation Bond proceeds and/or apportionments from the State Facility Program are not part of the remaining expenditures for the projects listed above.
- (2) Added classrooms, furnishing and equipment and ongoing costs, including pre-kindergarten additions and conversions.
- (3) Represents the total remaining project costs to complete project or lease amount remaining for relocatable classrooms.
- (4) Project is tentative pending dwelling unit approvals through the City of Irvine.