



Irvine Unified School District

Annual and Five-Year
Developer Fee Report
for Fiscal Year 2023/2024

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TABLE OF CONTENTS

SECTION I. EXECUTIVE SUMMARY	1
SECTION II. ANNUAL REPORTING REQUIREMENTS	3
A. TYPE AND AMOUNT OF FEE	3
B. BEGINNING AND ENDING BALANCE OF ACCOUNT, SCHOOL FEES COLLECTED, INTEREST EARNED AND DISBURSEMENTS (GOVERNMENT CODE SECTION 66006(B) (C) AND (D))	4
C. IMPROVEMENTS ON WHICH SCHOOL FEES WERE EXPENDED.....	4
D. ANTICIPATED DATES OF COMMENCEMENT FOR SUFFICIENTLY FUNDED AND INCOMPLETE PUBLIC IMPROVEMENT PROJECTS	6
E. INTERFUND TRANSFERS OR LOANS	7
F. REFUNDS OF SCHOOL FEES.....	7
SECTION III. FIVE-YEAR REPORTING REQUIREMENTS.....	8
A. PURPOSE TO WHICH THE SCHOOL FEE IS TO BE EXPENDED	8
B. REASONABLE RELATIONSHIP BETWEEN THE SCHOOL FEE AND THE PURPOSE FOR WHICH IS CHARGED.....	8
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	9

SECTION I. EXECUTIVE SUMMARY

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 (“SAB”) every two years. The SAB last increased the Level I Fees on January 24, 2024 and the maximum School Fees are currently \$5.17 per square foot for residential construction/reconstruction and \$0.84 per square foot for commercial/industrial construction. 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.
- Identification of each public improvement in the previous report and whether construction began on the approximate date noted in the previous report, and if construction did not commence by the approximate date, any reason for the delay and a revised approximate date.

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

This report contains certain information regarding the type, amount, collection and expenditure of School Fees for Fiscal Year (“FY”) 2023/2024.

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 2023/2024, 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 2023/2024 are set forth in the table below by School Fee type.

Fee Type	Development Class	Effective Dates for Fiscal Year 2023/2024	School Fee per Square Foot
Level I	Residential ⁽¹⁾	July 1, 2023 – June 7, 2024	\$4.79
	Commercial/Industrial ⁽¹⁾	July 1, 2023 – June 7, 2024	Construction - \$0.78 Storage - \$0.056
	Residential ⁽²⁾	June 8, 2024 – June 30, 2024	\$5.17
	Commercial/Industrial ⁽²⁾	June 8, 2024 – June 30, 2024	Construction - \$0.84 Storage - \$0.14

¹ Adopted by the Board of Education on April 19, 2022 by Resolution Number No. 21-22-27, effective June 20, 2022.

² Adopted by the Board of Education on April 9, 2024 by Resolution Number No. 23-24-23, effective June 8, 2024.

B. Beginning and Ending Balance of Account, School Fees collected, Interest Earned and Disbursements (Government Code Section 66006(b) (C) and (D))

In FY 2023/2024, School Fees were deposited and expended from Fund 25 in the amounts as follows:

Item	Amount
Beginning Balance July 1, 2023	\$10,572,733.63
<i>Revenues:</i>	
School Fees Collected	\$576,641.60
Interest Earned	\$499,066.23
<i>Revenues Subtotal:</i>	<i>\$1,075,707.83</i>
<i>Disbursements:</i>	
Project Expenditures (Detail found in Section II.C below)	\$1,269,030.80
<i>Disbursements Subtotal:</i>	<i>\$1,269,030.80</i>
Ending Balance June 30, 2024	\$10,379,410.66

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 are itemized on the following page.

Project	Amount Paid During Fiscal Year 2023/2024	Percentage of Project Total Funded by School Fees
<i>Leases and Relocatable Classrooms</i>		
Beacon Park (K-8) School	\$18,828.00	100.00%
Culverdale Elementary School	\$835,890.36	100.00%
Eastshore Elementary School	\$12,360.00	100.00%
Eastwood Elementary School	\$10,800.00	100.00%
Oak Creek Elementary School	\$12,360.00	100.00%
Westpark Elementary School	\$12,360.00	100.00%
<i>Classroom Conversion</i>		
PreK Classroom Conversions (Various sites)	\$103,142.29	100.00%
<i>Facilities Improvements</i>		
Cadence Park (K-8) School	\$582.95	100.00%
Creekside High School	\$5,180.68	100.00%
Greentree Elementary School	\$7,583.52	100.00%
Legacy Education Center	\$115,850.89	100.00%
Jeffrey Trail Middle School	\$1,831.75	100.00%
Sierra Vista Middle School	\$12,927.25	100.00%
<i>Districtwide</i>		
Publishing Rates	\$2,187.24	100.00%
Professional/Consulting Services	\$49,531.83	100.00%
Developer Fee Inquiries	\$7,285.71	100.00%
Enrollment Projections	\$60,328.33	100.00%
Total	\$1,269,030.80	N/A

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. In addition, the School District must indicate whether construction began by the approximate date on each public improvement project identified in the previous report, and for any such public improvement project for which construction did not commence by the approximate date, any reason for delay and a revised approximate date. Ongoing public improvement expenditures that have received sufficient funding are detailed below, along with the indication if the public improvement project was included in the previous report or added for the current reporting.

Project	Included in Previous Report¹ or Added	Anticipated Date of Commencement	Project Commencement Status
<i>Leases and Relocatable Classrooms</i>			
Beacon Park (K-8) School	Included	June 2019	Commenced June 2019; ongoing
Culverdale Elementary School	Included	June 2023	Commenced June 2023; under construction
Eastshore Elementary School	Included	June 2017	Commenced June 2017; ongoing
Eastwood Elementary School	Included	June 2019	Commenced June 2019; ongoing
Oak Creek Elementary School	Included	July 2017	Commenced July 2017; ongoing
Westpark Elementary School	Included	June 2016	Commenced June 2016; ongoing
<i>Classroom Conversions (Conversion of existing spaces)</i>			
PreK Classroom Conversions	Added	July 2023	Commenced July 2023; under construction

¹ Combined Annual and Five-Year Developed Fee Report, dated October 12, 2023 and adopted by the Board of Education on November 7, 2023.

Public improvement expenditures included in the previous report¹ that have been completed, or removed for the current reporting are detailed below.

Project	Anticipated Date of Commencement	Project Status
University Park Elementary School (New Classroom Building)	January 2021	Project complete
Woodbridge High School (Relocatable Classrooms)	July 2023	Relocatable classrooms removed and no longer needed

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 2023/2024 fiscal year.

¹Combined Annual and Five-Year Developed Fee Report, dated October 12, 2023 and adopted by the Board of Education on November 7, 2023.

SECTION III. FIVE-YEAR REPORTING REQUIREMENTS

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 and the Fee Justification Study approved on April 9, 2024 demonstrate 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 ⁽¹⁾	Expected Deposit Date	Anticipated Funding Amount	Remaining Total Estimated Project Costs
Anticipated Growth ⁽²⁾	Developer Fees	As Available	\$3,000,000.00	\$3,000,000.00
Beacon Park (K-8) School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$38,670.00	\$38,670.00
Culverdale Elementary School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$2,745,082.49	\$1,909,192.13
Eastshore Elementary School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$19,260.00	\$19,260.00
Eastwood Elementary School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$11,344.00	\$11,344.00
Oak Creek Elementary School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$19,260.00	\$19,260.00
Oak Creek Elementary School Modular Classroom Building ⁽⁴⁾	Developer Fees	As Available	\$9,000,000.00	\$9,000,000.00
Westpark Elementary School Relocatable Classrooms ⁽³⁾	Developer Fees	On hand	\$12,360.00	\$12,236.00
Westpark Elementary School Play Structure Expansion	Developer Fees	On hand	\$360,000.00	\$360,000.00
Total	N/A	N/A	\$15,205,976.49	\$14,369,962.13

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.