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COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

**SAUGUS UNION SCHOOL DISTRICT**

**FAIR SHARE SCHOOL IMPACT MITIGATION  
PAYMENT ADJUSTMENT ANALYSIS  
CALENDAR YEAR 2018**

**DECEMBER 19, 2017**

**PREPARED FOR:**

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## THE ANALYSIS

The purpose of this Fair Share School Impact Mitigation Payment Adjustment Analysis ("Analysis") is to calculate the Fair Share School Impact Mitigation Payments of the Saugus Union School District ("School District") for calendar year 2018. The Fair Share School Impact Mitigation Payments will be calculated for single family detached ("SFD") and multi-family attached ("MFA") dwelling units within the boundaries of the School District. Land developers/merchant builders within the School District previously had the option of assigning any possible reimbursement from State Funds to the District in exchange for a reduced Fair Share School Impact Mitigation Payment. Therefore, this Analysis will calculate both the full and reduced Fair Share School Impact Mitigation Payments for calendar year 2018.

The Fair Share School Impact Mitigation Payments for calendar year 2018 have been adjusted relative to the previously-applicable Fair Share School Impact Mitigation Payment Adjustment Analysis for calendar year 2017 ("Prior Analysis"). Adjustments to the Fair Share School Impact Mitigation Payments are based on variations in (i) the Marshall & Swift Class D Wood Frame Index for the Western United States ("Non-Land Value Component"), (ii) land value of potential school site(s) in the School District ("Land Value Component"), and (iii) the student generation factors ("SGFs") of the School District.

### A. Non-Land Component

Effective each January 1, the Non-Land Value Component of the Fair Share School Impact Mitigation Payments are increased or decreased based upon the percentage change in the Marshall & Swift Class D Wood Frame Index for the Western United States ("Index") for the twelve (12) month period ending on the preceding October 31. Table 1 lists the Index for November 1, 2016 and October 31, 2017, as well as the percentage change for the period.

**Table 1**  
**Non-Land Value Component**  
**(November 1, 2016 to October 31, 2017)**

<b>Date</b>	<b>Index</b>
November 1, 2016	3,015.60
October 31, 2017	3,128.70
<b>Percent Change</b>	<b>3.75%</b>

**B. Land Value Component**

In calculating the Fair Share School Impact Mitigation Payments for calendar year 2018, a Land Value Component ("2018 Appraised per Acre Value") of \$1,271,739 per net usable acre was used (the value assumed the property was in super pad condition). Similar to the Non-Land Value Component, the Land Value Component is to be increased or decreased effective each January 1. This adjustment shall be determined based on the change since the last adjustment in the appraised per acre value of land, using the appraised value of the site then under consideration by the School District for the next elementary school. Table 2 lists the 2018 total appraised value, net usable acreage, and appraised per acre value for the next elementary school site.

**Table 2**  
**2018 Appraised per Acre Value**  
**Next Elementary School Site**

<b>Item</b>	<b>Amount</b>
Total Appraised Value <sup>[1]</sup>	\$11,700,000
Net Usable Acreage	9.2
<b>2018 Appraised Value per Acre</b>	<b>\$1,271,739<sup>[2]</sup></b>
<i>[1] Based on appraisal prepared by Epic Land Solutions, Inc. (See Attachment A for more information).</i>	
<i>[2] Numbers may not sum due to rounding.</i>	

In order to calculate the increase or decrease in the Land Value Component, the 2018 Appraised per Acre Value listed in Table 2 must be compared to the 2017 Appraised per Acre Value used in calculating the Fair Share School Impact Mitigation Payments for calendar year 2017. Table 3 lists the 2017 Appraised per Acre Value and the 2018 Appraised per Acre Value, as well as the percentage change for the period.

**Table 3**  
**Land Value Component**  
**2017 to 2018 Appraised Value per Acre Value**

<b>Item</b>	<b>Amount</b>
2017 Appraised Value per Acre	\$1,206,500
2018 Appraised Value per Acre	\$1,271,739
<b>Percentage Change</b>	<b>5.41%</b>

**C. Student Generation Factors**

In calculating the Fair Share School Impact Mitigation Payments for calendar year 2018, an SGF of 0.3058 was used for SFD units and an SGF of 0.1612 was used for MFA units. Similar to the Non-Land Value Component and the Land Value Component, the SGFs are to be recalculated effective as of each January 1. The recalculation of SGFs is based on cross-referencing enrollment data of the School District with residential property data from the County of Los Angeles Office of the Assessor (see Attachment B for a detailed description of the methodology). Table 4 below lists the SGFs by dwelling-unit type, while Attachment B contains specific numbers and counts used in calculating SGFs for the 2018 Analysis.

**Table 4**  
**2018 Student Generation Factors**

<b>School Level</b>	<b>Single Family Detached Units</b>	<b>Multifamily Attached Units</b>
Elementary School	0.3058	0.1612

In order to calculate the increase or decrease in the SGFs, the SGFs shown in Table 4 were compared to the SGFs from the Prior Analysis. Table 5 lists the SGFs from the 2017 Analysis and the SGFs for the 2018 Analysis for SFD and MFA units in the School District, as well as the percentage change for the period.

**Table 5**  
**Student Generation Factors Comparison**

School Level	Single Family Detached Units	Multifamily Attached Units
SGFs for 2017 Analysis	0.3260	0.1660
SGFs for 2018 Analysis	0.3058	0.1612
<b>Percentage Change</b>	<b>(6.20%)</b>	<b>(2.89%)</b>

**D. Adjustment Process**

All the items mentioned above were employed to yield the Fair Share School Impact Mitigation Payments for calendar year 2018. Specifically, the percentage changes listed in Tables 1 and 5 were used in a nine (9) step process to determine the Fair Share School Impact Mitigation Payments for calendar year 2018 (see Attachment C for more detail). Table 6 shows the Fair Share School Impact Mitigation Payments for calendar year 2018, in both the full amount and the reduced amount for assignment of State Funds to the School District.

**Table 6**  
**Fair Share School Impact Mitigation Payment Amounts**

Item	Single Family Detached Units	Multifamily Attached Units
Without Assignment of State Funds	\$13,604.33	\$7,958.81
With Assignment of State Funds	\$13,245.17	\$7,085.99

**ATTACHMENT A**

Appraisal and Valuation Letter Prepared by  
Epic Land Solutions, Inc.

**ATTACHMENT B**

Student Generation Factor Methodology  
And Calculation

### Student Generation Factor Methodology

The calculation of student generation factors ("SGFs") for Saugus Union School District ("SUSD" or "District") will be performed by the District or a designee and will be based on a process of cross-referencing enrollment data of SUSD against residential property data from the County of Los Angeles ("County").

The enrollment data of SUSD will be based on its latest California Basic Educational Data Systems report and will provide the grade level and home address of every student in the District (excluding inter-district transfer students). A student enrollment database will be prepared from this data. The residential property data to be obtained from the County Assessor will provide Assessor's Parcel Number, land use type, and street address information for all residential units in the District. Sorting and extracting by land use, a database of all single family detached ("SFD") units, multi-family attached ("MFA") units (including second units), and mobile homes within the District will be developed. All age restricted units consistent with Section 65995.1 of the Government Code or subsequent successor statutory provisions will be excluded from the residential property database. This property database will then be compared against SUSD's enrollment database to identify address matches. Once the matching is completed, preliminary SGFs will be calculated for SFD and MFA units. In performing such calculations, the numerator shall be the total number of students residing in the particular housing type within the District and the denominator shall be the total number of units of that housing type, less any age restricted units of that housing type, within SUSD. For example, if there are determined to be 100,000 SFD units which are not age restricted units within the District and 30,000 students residing in SFD units within SUSD, the preliminary SGF for SFD units will be 0.300.

Because of incomplete and/or incorrect address information in either the student enrollment database or the residential property database, it may not be possible to match every non-interdistrict transfer student to an address within SUSD. The result of such incomplete and/or incorrect data will be an underestimation of the number of students generated by SFD and MFA units within SUSD. The preliminary SGFs calculated as described above will therefore be adjusted upward, if necessary, to offset this effect by allocating the unmatched non-inter-district transfer students to existing units in the same proportion as the matched



**ATTACHMENT C**

Fair Share School Impact Mitigation Payment  
Adjustment Process and Calculation

## **Fair Share School Impact Mitigation Payment Annual Adjustment Calculation**

Each January 1, commencing January 1, 2000, the Fair Share School Impact Mitigation Payment for single family detached ("SFD") units, multi-family attached ("MFA") units, and second units shall be adjusted as shown below:

1. Calculate the Land Value Component of the previous year's Fair Share School Impact Mitigation Payment by multiplying the previous year's Fair Share School Impact Mitigation by 31.70%.
2. Calculate the Non-Land Value Component of the previous year's Fair Share School Impact Mitigation Payment by multiplying the previous year's Fair Share School Impact Mitigation Payment by 68.30%.
3. Calculate the percentage change in the appraised per acre value and add 1.0.
4. Calculate the percentage change in the Index and add 1.0.
5. Calculate the Adjusted Land Value Component by multiplying the Land Value Component calculated in step 1 above by the adjustment factor calculated in step 3 above.
6. Calculate the Adjusted Non-Land Value Component by multiplying the Non-Land Value Component calculated in step 2 above by the adjustment factor calculated in step 4 above.
7. Calculate the Preliminary New Fair Share School Impact Mitigation Payment by adding the Adjusted Land Value Component and the Adjusted Non-Land Value Component calculated in steps 5 and 6 above.
8. Calculate the Student Generation Factor Adjustment by calculating the percentage change in the total Student Generation Factor for grades K-6 from Student Generation Factor used in the previous Fair Share School Impact Mitigation Payment calculation to the new Student Generation Factor and add 1.0.
9. Calculate the New Fair Share School Impact Mitigation Payment by multiplying the Preliminary New Fair Share School Impact Mitigation Payment calculated in step 7 above by the Student Generation Factor Adjustment calculated in Step 8 above.