

Aspire Solaire Territory Transfer Analysis of Potential Impacts of Territory Transfer

Date: November 3, 2023

To: Scott Loehr, Superintendent
Center Joint Unified School District

Placer County Committee
on School District Organization

Sacramento County Committee
on School District Organization

From: Shin Green, Principal
Eastshore Consulting LLC

David A. Soldani, Partner
Atkinson, Andelson, Loya,
Ruud and Romo

The Center Joint Unified School District (CUSD) has asked our firms to review the proposed transfer of territory identified as the Aspire Solaire (Westpark area of Roseville) neighborhood and the associated Report on Statutory Criteria for Proposed Transfer of Territory dated October 16, 2023. While we did not address all nine (9) criteria, there are several aspects of the proposed transfer of territory which we believe merit consideration in evaluating the equity for CUSD.

The proposed transfer of territory includes residential subdivision areas which are currently under development. The territory appears to be comprised of 227 total parcels which will be permanently removed from CUSD and assigned to the Roseville City schools. If allowed, the territory would cease to be within the attendance boundaries of CUSD, resulting in students no longer attending CUSD schools. Further, the removal of territory will also remove the assessed valuation of the transferred territory from CUSD and any resulting taxation obligations in support of CUSD. The territory is proposed for transfer to the Roseville City School District and the Roseville Joint Union High School District (together “Roseville Schools”).

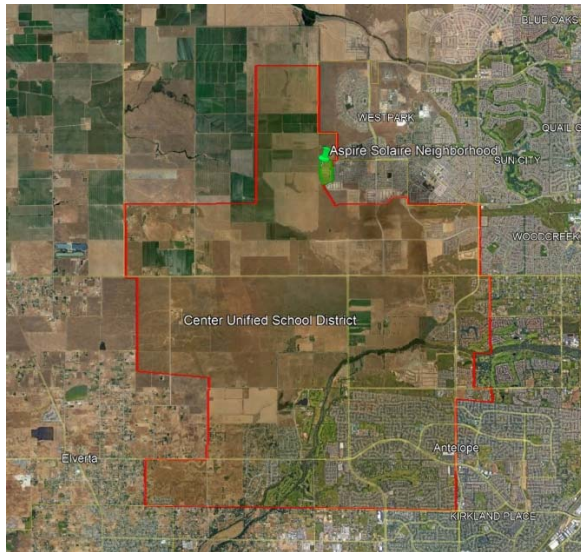
As such, the proposed territory transfer would have an impact on CUSD in multiple ways, including: (1) removal of current and prospective enrollment, (2) loss of tax revenue in support of facilities financing obtained through GO Bonds, (3) loss of capacity in both tax revenues for such bonds and capacity under the State’s bonding capacity limitations, and (4) impacts to operation funding resulting from loss of current and prospective ADA.

Our analysis focuses on both the student-generated funding impacts as well as facilities financing impacts resulting from loss of assessed valuation and tax capacity. Additionally, with the understanding that CUSD was also subject to a previous “swap” of territory in 2019, we will examine the combined impact of ongoing territory removal from CUSD as the 2019 transfer of territory appears to be adjacent to the current request.

Tax Base Related Analysis

As of January 1, 2023, the lien date for the 2023-24 fiscal/tax year, the proposed transfer territory consisted of 227 parcels with a total assessed value of \$89,175,018. These parcels include 136 developed single-family residential parcels with 74 remaining single-family residential parcels to be developed. The undeveloped parcels are defined as such by virtue of not reflecting assessed

valuations for structures. The remaining 17 parcels consist of various public uses which are not subject to taxation nor development.



As of January 1, 2023, 35% of the single-family residential parcels remain to be developed. Based upon the average assessed valuation for improvements to developed parcels in the proposed transfer territory, it is estimated that the completion of undeveloped lots will yield an additional \$30,511,662 in assessed value. Assuming this eventual 'build out', the total taxable valuation of the proposed transfer territory would be \$119,868,680.

ASPIRE-SOLAIRE TRANSFER TERRITORY - PROPOSED 2023				
Parcel Type	Count	Land Assessed Value	Improvement Assessed Value	Total Assessed Value
Single Family Residential - Developed	136	\$ 21,046,650	\$ 56,075,487	\$ 77,122,137
Single Family Residential - Undeveloped ¹	74	12,052,881	30,511,662	42,564,543
Public Use, Easements, Roadways, Etc.	17	-	-	-
TOTAL	227	\$ 33,099,531	\$ 86,587,149	\$ 119,686,680

1) Improvement Assessed Value for undeveloped residential parcels assumes parcels develop with homes at average assessed valuation of existing homes in the area proposed for transfer.

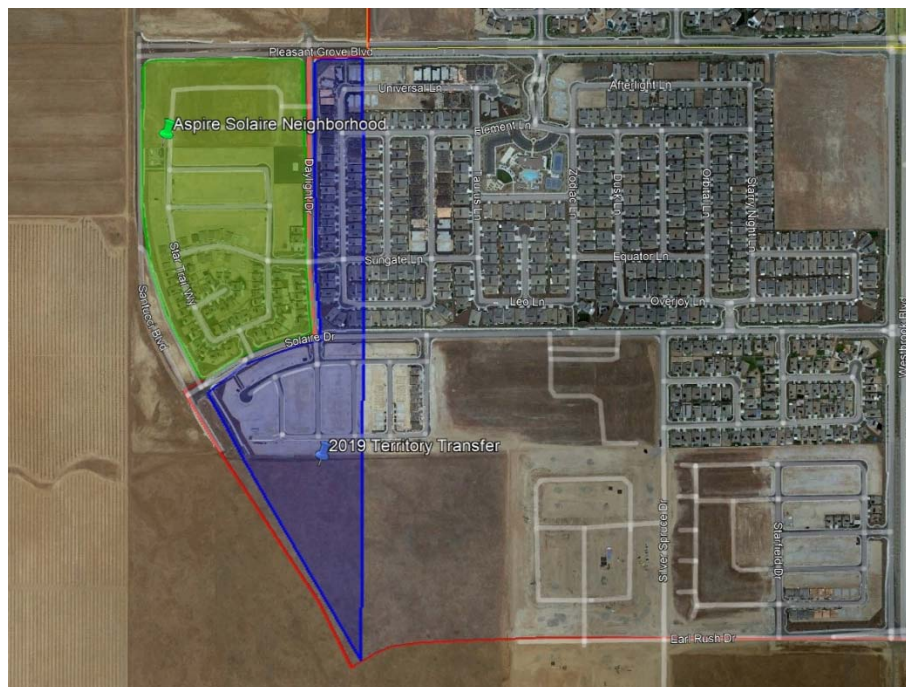
Based upon CUSD's 2023-24 total assessed value of \$4,310,846,058, the existing valuation of the transfer territory would be 2.1% of total district value. At full build out, it is estimated that the value of the territory transferred would be 2.8% of total district value.

The current proposed transfer of territory would be in addition to adjacent territory transferred from CUSD in 2019. The 2019 transfer of territory, which appears to be a revision of a smaller territory swap initiated in 2013, was comprised of 33.6 acres of uninhabited territory transferred from CUSD to Roseville Schools and 14.7 acres of uninhabited territory transferred from Roseville Schools to CUSD. In the findings of the County Committee on the equitable division of property and facilities of the districts, it was noted that the 2019 transfer of territory would generate an estimated 120 housing units in favor of Roseville schools.

2019 TRANSFER TERRITORY - FROM CUSD TO ROSEVILLE SCHOOLS				
Parcel Type	Count	Land Assessed Value	Improvement Assessed Value	Total Assessed Value
Single Family Residential - Developed	105	\$ 14,603,221	\$ 41,205,053	\$ 55,808,274
Single Family Residential - Undeveloped ¹	20	1,395,944	7,848,582	9,244,526
Public Use, Easements, Roadways, Etc.	11	-	-	-
TOTAL	136	\$ 15,999,165	\$ 49,053,635	\$ 65,052,800

1) Improvement Assessed Value for undeveloped residential parcels assumes parcels develop with homes at average assessed valuation of existing homes in the area transferred in 2019.

Today, the 2019 transfer territory has been developed into 136 parcels of which 105 are developed and 20 undeveloped single-family residential properties. The total assessed valuation of the 2019 territory transfer from CUSD to Roseville Schools is currently \$57,204,218, or 1.3% of total 2023-24 CUSD assessed valuation. It is projected that at full build out, this territory will convey \$65,052,800 of assessed valuation from CUSD to Roseville Schools, or 1.5% of current CUSD assessed valuation, excluding roughly 8.5 acres of to be developed land which appears to be planned for additional low density residential housing. At similar development densities to the area immediately north of this remaining land, it is projected that an additional 57 units of SFR could be developed with a current dollar projected valuation of approximately \$29.6 million in assessed valuation.



Specific to the 14.7 acres received from Roseville Schools by CUSD in 2019, the area now appears to be fully developed. Approximately 7.76 acres of that territory, comprised of APNs 498-020-052 and 498-020-054, is within areas identified as open space by the Sierra Vista specific plan and does not appear to be developable, with assessed valuations of \$0. The remaining portion of this territory became the northern portion of a small subdivision generating

approximately 21 single family residential parcels, all of which are now built out. Today, the 21 developed residences generate \$10,163,161 in assessed value for CUSD, comprising just 0.2% of total 2023-24 CUSD assessed valuation.

When examining the combined impact of the 2019 territory transfer and the current proposed transfer of adjacent territory, the net impact would be removal of at least 314 single family residential parcels from CUSD with a total current assessed valuation of \$136,216,075, or 3.2% of current CUSD assessed valuation – and upon build out, a projected loss of \$174,576,319 in assessed valuation, or 4.0% of the CUSD total.

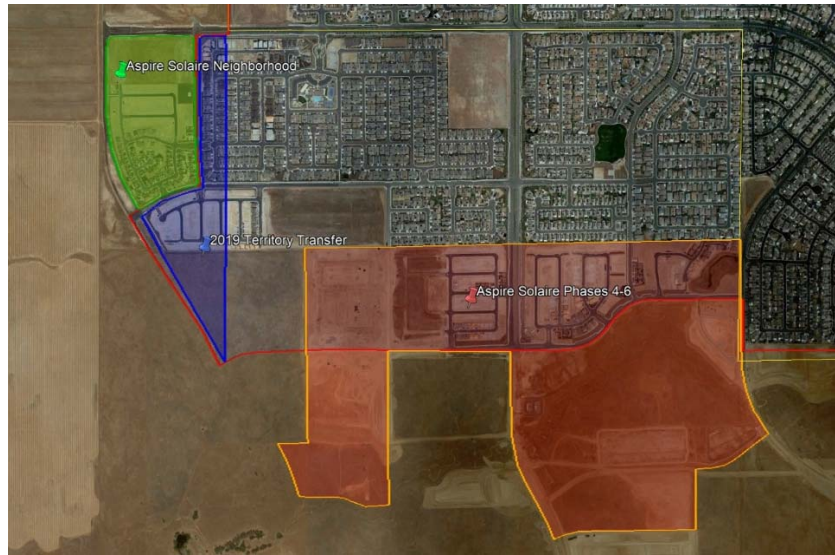
NET COMBINED PROPOSED AND 2019 TRANSFER OF TERRITORY FROM CUSD TO ROSEVILLE SCHOOLS				
Parcel Type	Count	Land Assessed Value	Improvement Assessed Value	Total Assessed Value
Single Family Residential - Developed	220	\$ 33,544,280	\$ 89,222,970	\$ 122,767,250
Single Family Residential - Undeveloped ¹	94	13,448,825	38,360,244	51,809,069
Public Use, Easements, Roadways, Etc.	23	-	-	-
TOTAL	337	\$ 46,993,105	\$ 127,583,214	\$ 174,576,319
<i>1) Improvement Assessed Value for undeveloped residential parcels assumes parcels develop with homes at average assessed valuation of existing homes in the areas transferred or proposed for transfer.</i>				

If the still undeveloped 8.5 acres of land conveyed to Roseville School are accounted for, this projection would increase to \$204,240,396, or 4.7% of the current CUSD assessed valuation lost, net of what was received.

While less than the statutory 10.0% of assessed valuation limitation on the transfer of territory between school districts under EC 35709 – IF each affected district consents, which CUSD does not AND the territory is uninhabited, which it is not – CUSD should be concerned about how the proposed and potential future requests for the transfer of territory to Roseville Schools may cause impacts, especially to the District's facilities plans which rely heavily on future GO Bond issuances to fund school construction.

Additionally, our research also noted that:

- A sizable area within CUSD boundaries roughly 0.6 miles west of the proposed territory for transfer is now slated to become a SMUD solar energy facility, which may not generate the assessed values residential development would
- Significant portions of nearby CUSD territory appears to be slated to remain open space per the Sierra Vista specific plan
- The area proposed for transfer is a portion of the Aspire Solaire Phases 1-3 and IF the Petitioner's rationale for this transfer is keeping residents of the subdivision attending the same school district, there are areas to the south which comprise Aspire Solaire Phases 4-6 which may also be considered for transfer under the similar arguments



On that last point, Earl Rush Drive currently serves as the boundary between CUSD and Roseville Schools in the area in question. In total, approximately 139.5 acres of developable area in Aspire Solaire Phases 4-6 remains within CUSD, all of which is slated for single family residential construction. Should CUSD suffer continued ‘serial’ territory transfers, the sustained loss of territory from the area in question may exceed statutory limits and constrain options to make use of already approved GO Bonds for new CUSD schools serving the area. Indeed, CUSD received voter-approved authority under Prop. 39 in 2008 for a total of \$500 million in GO Bonds to provide funding for schools serving newly developed areas, of which it has approximately \$432 million remaining to issue. These facility funding sources are critical to CUSD’s facility planning and were designed to leverage future growth which is now being eroded.

While Roseville Schools enjoy being substantially further along in the development and build out of its territory, CUSD is on the front end of such new development with much more anticipated in the future. As such, tax rates for GO Bonds in the CUSD territory are higher than those in the area served by Roseville Schools, many of which were constructed years ago. Roseville Schools territory carry GO Bond tax rates 11.4% to 13.1% of those in the CUSD territory as a result. Continued loss of territory will exacerbate this differential and result in the need for marginally higher taxation while allowing the transfer areas to escape their fair share of taxation for construction of new school facilities serving the broader area.

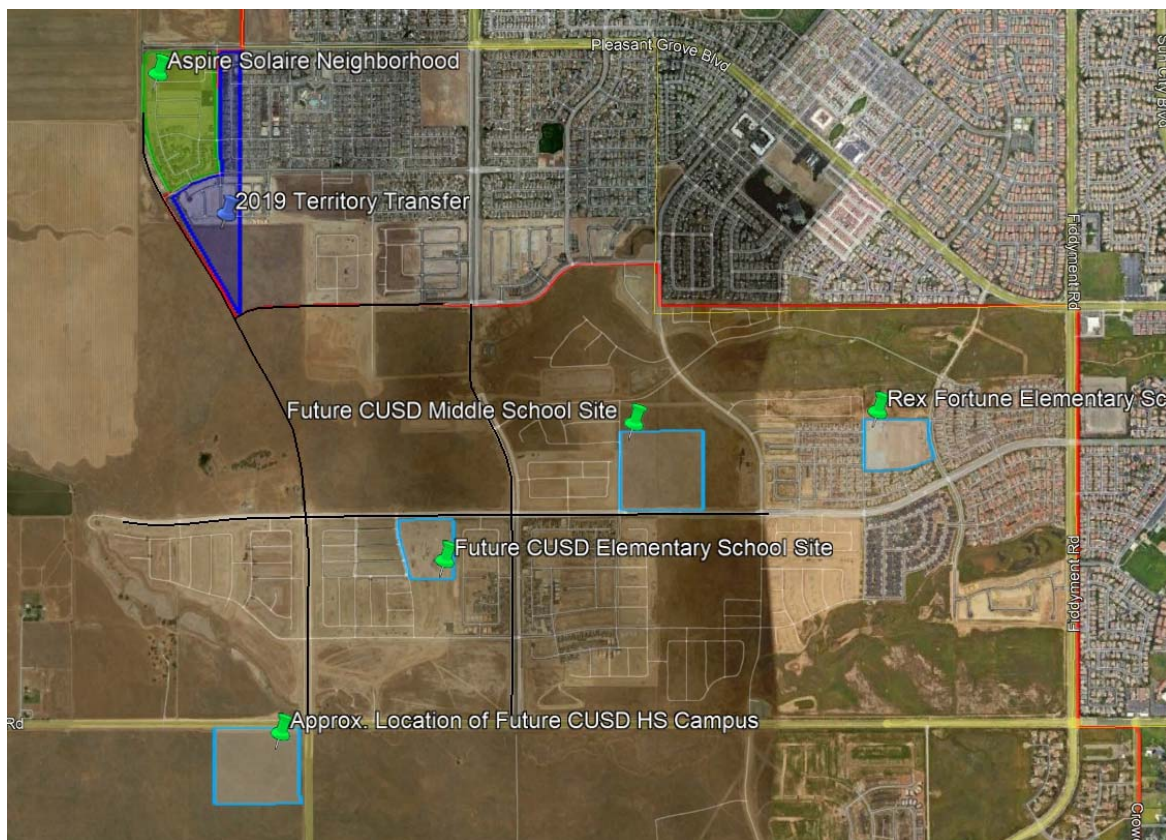
2023-24 School Bond Tax Rates			
	Transfer Area	Prior Transfer Area	Roseville Area Parcel
APN:	496-480-020	496-450-049	490-100-019
CUSD GO Bonds	\$ 144.00	\$ -	\$ -
RCESD GO BONDS	-	9.26	9.26
RHSD BONDS	-	9.55	7.12
Total School Bond Levy	\$ 144.00	\$ 18.80	\$ 16.37

While the currently proposed transfer of territory may appear to be modest and within the limitation set in code sections, in combination with territory transferred in 2019 – AND considering areas

which may utilize the same arguments in future development areas – it is problematic for CUSD. The continued loss of assessed valuation will likely present challenges in meeting Criteria #3 – Equitable Division of Assets and Liabilities, and Criteria #7 – No Significant Increase in School Housing Costs, as CUSD will be forced to concentrate its debt required for facilities construction on a smaller population, resulting in increased tax rates for remaining residents and potentially revisions in future school plans as areas expected to generate enrollment in the now developing northeastern portion of CUSD are removed to benefit Roseville Schools.

Student Generation Analysis

After many years of anticipation, CUSD is now experiencing development in the northeastern portion of the District. The new subdivisions are mostly concentrated between Baseline Road and the northern boundary of CUSD and appear to be sequenced moving from east to west. With this development, CUSD just completed construction of and is now operational in its first new elementary campus, Rex Fortune Elementary, serving this portion of CUSD. Additionally, the area has future sites reserved for one additional elementary school campus to be located just 1.1 miles travel distance from the territory proposed for transfer (upon completion of Santucci Blvd.), and one new middle school campus. Upon completion of Santucci Blvd, the middle school campus will be just 1.6 miles from the area proposed for transfer. CUSD also has plans for a new high school campus at the southwest corner of Baseline Road and Santucci Blvd which, upon completion of roadway infrastructure, will be just 1.4 miles from the area proposed for transfer.



Unlike the transfer in 2019, records indicate that the territory proposed for transfer currently consists of 136 developed single family residential parcels, which are mostly inhabited and

generate 30 units of enrollment for CUSD as of today. Currently, students from the are proposed for development attend the new Rex Fortune Elementary School campus and Wilson C. Riles Middle School – however, they would eventually attend a new middle school slated for the adjacent development area to the south as well as a new elementary school campus 1 mile west of Rex Fortune Elementary School. Both eventual sites are planned with frontage on Vista Grande Blvd.

Examining projected student generation rates from the CUSD developer fee study would indicate generation of just over 99 students upon full build out of the proposed area for transfer. Additionally, the previously transferred territory in 2019 would have generated just over 49 students. In total, the loss from these two related transfers would be 149 students. While not in itself a huge number, it is not immaterial. At the TK-6 grade span, the potential loss of 79 students when taking both the 2019 and proposed transfer into account is equivalent to almost 3.5 classrooms at the proposed next elementary campus serving the area, a magnitude which can create issues for balancing enrollments across all sites as development continues.

Aspire Solaire - Proposed Transfer Area				
Grade Span	TK-6	7-8	9-12	Total
Projected SFR Housing Units		210		210
Student Generation Rates ¹	0.251	0.072	0.150	0.473
Projected Students	53	15	32	99
<i>1) CJUSD 2022 Developer Fee Justification Study</i>				
Net Combined Aspire Solaire Proposed and 2019 Transfer Area				
Grade Span	TK-6	7-8	9-12	Total
Projected SFR Housing Units		314		314
Student Generation Rates ¹	0.251	0.072	0.150	0.473
Projected Students	79	23	47	149
<i>1) CJUSD 2022 Developer Fee Justification Study</i>				

Probably of more concern is that 30 existing students which have been in CUSD schools for the past year or more will now be removed from their current educational programs and relocated to Roseville Schools. And for the middle school grade spans, it appears Roseville Schools will require portables on an existing middle school campus to serve those students.

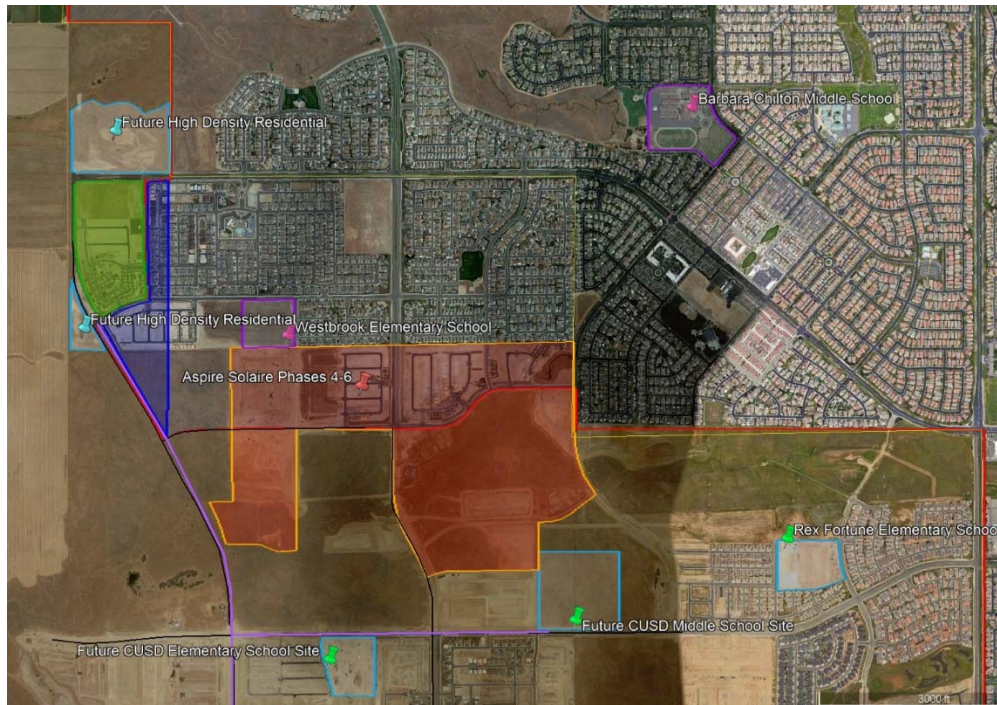
While there may not currently be a material impact from the loss of enrollment, at the CUSD 2023-24 average budgeted LCFF funding per student of \$13,426 per ADA, the Aspire Solaire proposed transfer and prior 2019 transfer potential loss of 149 students would equate to roughly \$2.0 million in reduced operational funding for CUSD – or 3.67% of budgeted 2023-24 LCFF General Fund sources. While this percentage in a vacuum may appear to be small, the prospects of a rapidly growing CUSD losing funding at a time when operations are not streamlined for final build out is a greater burden than for areas with additional flexibility such as Roseville Schools where

economies of scale already exist and options to balance enrollments between sites are greater. As a result of this lost revenues, and with the prospect of future losses should similar arguments be made to transfer additional territory, it calls into question IF the proposal does not create an issue with respect to Criteria 9 – Promotion of Sound Fiscal Management and not Causing a Substantial Negative Effect on the Fiscal Status of the Affected District. At a time when CUSD should be recruiting from and planning for additional enrollment in a now rapidly developing portion of the District, it is losing students due to transfer of territory in the exact areas where it has planned for new school sites, making it more difficult for the smaller, less well-resourced CUSD to place itself in a favorable competitive position. Additionally, for the already enrolled students originating from the area proposed of transfer, it is hard to see how the petitioners' request does not have a real impact to existing CUSD students, calling into question IF the proposal truly meets Criteria #6 specific to those families with students that have decided to attend CUSD schools.

School Siting and Facility Analysis

The proposed petition appears to state the primary goals being to align with community identity and cure isolation. It should be noted that with respect to the isolation, it is a temporary issue born mostly from the realities of development patterns. Upon build out, the area in question and surrounding areas of development will indeed have additional paths of travel which would greatly reduce the travel distances indicated in the report provided to the Committees. And specific to the arguments for transfer related to the community, it is important to remember the community is new and, as development continues to occur to the south, the norm of utilizing services in already developed portions of Roseville will be mitigated. Additionally, utilizing the basis of subdivisions or city boundaries to define community identity is problematic as CUSD serves what will eventually be a significant portion of the City of Roseville extending south, nearly to Baseline Rd. and the Aspire Solaire Phases 4-6 are all within territory which remains in CUSD.

Indeed, the petition seems to ignore planned high-density developments which are also part of the Aspire Solaire subdivision within the City of Roseville, but have not yet been built. Immediately to the north of the proposed area for transfer, there are two adjacent parcels totaling 19.3 acres slated for high density multi-family residential development with a sizeable park planned for the areas north up to the CUSD boundary line. This pocket would also be "isolated". And to the west of Santucci Blvd., but within the City of Roseville and Aspire Solaire subdivision, is a 5.1 acre parcel also planned for high-density residential development. This parcel sits across the street from the area proposed for transfer but was also excluded from the petition.

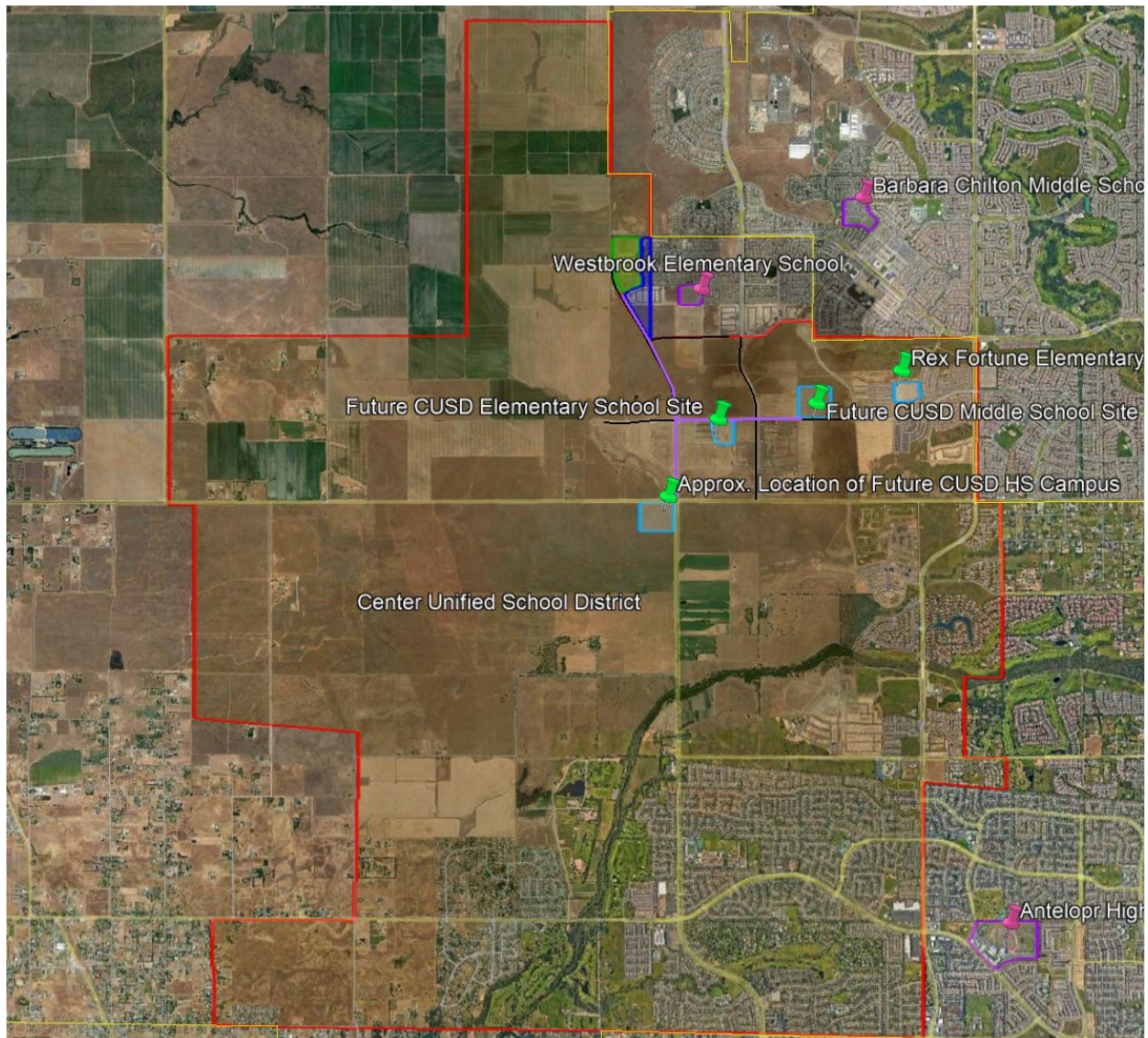


Most troubling is that future Aspire Solaire Phases 4 through 6 are to the south and similar arguments could be made at this time about proximity, identity and the “small nature” of the transfer, should it be proposed separately at a future date. These future development areas are critical to CUSD planning for future school sites and support for bonds which will need to be issued to fund construction of those future sites.

It should also be noted that within the general area, there are now plans for installation of a solar farm by SMUD which further erodes development opportunities within this now growing portion of CUSD. At a certain point – when examined in totality – CUSD must begin to focus on reservation of its tax base to achieve its vision for build out. Each “small transfer” may appear reasonable, but in aggregate are problematic and impactful beyond the individual lots being proposed for transfer at one time. Indeed, in looking at development patterns with Roseville areas of growth expanding westward, and limited development underway in the westernmost portions of CUSD, growth in the area proposed for transfer is important to provide capacity in the soon to be populated areas of CUSD.

While the proposed transfer of territory will relieve CUSD from some need to house certain existing students, it is not a sufficient reduction to merit the reduction in the number of planned campuses. The Roseville Schools have reported that the nearby Barbara Chilton Middle School and West Park High School are both at capacity. The Roseville Schools are already in the process of adding portables to existing sites to accommodate enrollment, a situation exacerbated by the proposed transfer of the Aspire Solaire territory. The proposed transfer will likely require that the transfer of territory as proposed would be served by more distant campuses, potentially as far away as 10.2 miles. Alternatively, Roseville Schools would be forced to shift attendance for existing students disrupting additional current Roseville Schools’ students educational pathways. Ultimately, this raises questions about the petition’s ability to satisfy criteria #6 – No Significant Disruption to the Educational Programs and #7 – No Significant Increase in School Housing Costs

– AND it negates the arguments that the proposed transfer of territory will solve issues with distances to school sites.



Travel Distances

The travel distances identified in the consultant's report should be disregarded as they do not reflect the reality on the ground. As both Roseville school districts testified, the nearby schools are already impacted and, as such, any students from the territory will be bussed to other campuses that are actually much further away than the campuses the students would otherwise attend in CUSD.

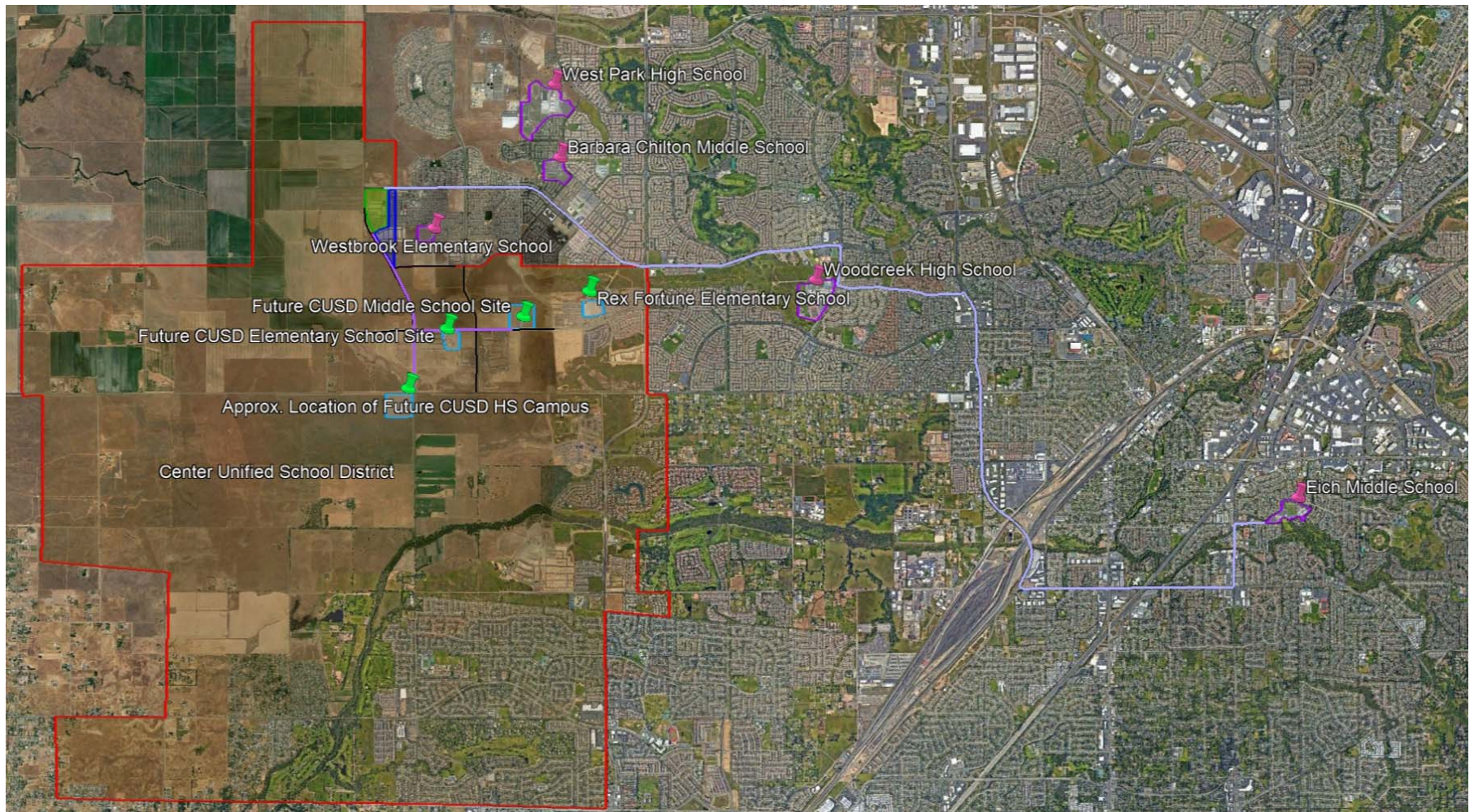
Paths of travel today are vastly different than the proposed final configurations for the area in question. Most notably, access to areas south of the proposed transfer territory is limited until the completion of two major thoroughfares (Santucci Blvd. and Westbrook Blvd.), and two additional roadways (Upland Dr. and Market St.), after which isolation concerns will be greatly mitigated. If these eventual developments and the proposed additional CUSD sites are ignored, then it is true

that today the area is further from other Roseville Schools at some grade levels. But when considering those sites, distances become much shorter and, in all cases, appear to not exceed 2 miles. With the exception of TK-6 students attending Westbrook Elementary, all travel distances to Roseville Schools are longer in the 7 through 12 grade spans. Today, the portion of Santucci Blvd. from Baseline north to Vista Grande Blvd is under construction and the remaining portion thereafter is less than 0.5 miles, completing this critical transportation corridor to CUSD school sites planned for the area.

As indicated by Roseville City Elementary School District staff at the Placer County Committee on School District Organization meeting conducted in October, the most likely site with capacity for additional middle school students would be Eich Middle School, 10.2 miles away and across a major rail line and interstate highway. While the proposed transfer would place the territory closer to a new K-5 elementary school within Roseville Schools, all other grades would be required to take longer paths of travel to the reportedly available middle and high school campuses with capacity at build out.

Once roadway infrastructure is complete, the travel distances to CUSD school sites are greatly reduced from the territory proposed for transfer. Again, the distance to the proposed new CUSD elementary campus is just 1.1 miles. The distance to the proposed new CUSD middle school campus is 1.6 miles. The distance to the proposed new CUSD high school campus is just 1.4 miles.

The realities on the ground do not match the assumptions of the petitioner about available capacity at nearby sites. As such, it raises questions about this proposed transfer's ability to address what appear to be the petitioners' concerns about isolation and travel distances as a major component of the argument put forward in support of Criteria #2 – Substantial Community Identity (for a population which has only been in the area for a few years thus far). ,



Summary

Fundamentally, the petition proposing transfer of the Aspire Solaire territory from CUSD to Roseville Schools is a continuation of past transfers to align the areas spanning two educational pathways. The proposal appears to take advantage of temporary development quirks such as the pending completion of roadway infrastructure to posit that attendance of residents in CUSD schools is less convenient than attendance at Roseville Schools. This temporary inconvenience will be mitigated as development continues and, given the pace of development, is not something that will persist for many more years. This same reality of ongoing development is being utilized to argue that the community identity of residents – who have at most been in the areas proposed for transfer for four (4) years – are tied to areas already developed within Roseville while ignoring the plethora of additional community spaces to come to the region, which will eventually realign such identity factors as the northeastern portions of CUSD develop. Indeed, specific to travel to school sites, it appears that within a matter of a few more years, only the TK-6 grade spans would enjoy shorter commute distances while all other grade spans would actually have much longer travel distances to Roseville Schools' sites.

Further, the erosion of tax base resources, operational funding and student population is already creating impacts for the growth of enrollment at the one completed CUSD school site serving the area and will have future impacts to three (3) additional CUSD sites planned for the future. The proposal will deny current residents of the area proposed for transfer of the choice they have already made to attend CUSD and remove students from locations which they have started their academic careers in.

As proposed, the petition does not substantially meet all of the criteria prescribed for transfer of territory:

- Criteria #2 – Substantial Community Identity: something hard to establish in such a short period of time and impacted by temporary infrastructure gaps which are currently being filled in
- Criteria #3 – Equitable Division of Assets and Liabilities: as the loss of the territory will lead to a loss of tax base and the required concentration of now higher CUSD GO bond repayments in place to fund new school construction
- Criteria #6 – No Significant Disruption of the Education Programs: as the loss of currently enrolled students will directly impact their individual educational programs and the broader loss of students will impact the planned, efficient deployment of new school sites for the area remaining within CUSD
- Criteria #9 – No Substantial Negative Effect on the Fiscal Status and Management of Each District: as CUSD loses ADA and associated LCFF funding of up to \$2 million in 2023-24 dollars as a result of this proposed transfer and the prior associated transfer of territory in 2019 (moreover, there are transportation costs that will be borne by the potential receiving districts who testified at the Placer County Committee Hearing that sites near the territory are already impacted and, as such, students from the territory would need to be bussed to further distant sites, resulting in the need for at least one additional bus and driver)

This is just the latest in a trend of small serial transfers of territory, each of which when considered separately appears to be modest, but in aggregate are – and threaten to be even more – harmful to the smooth operations and accommodation of growth long planned for by CUSD. It appears too early in the development process to make these permanent reallocations of territory and

resources, each of which are critical to allowing CUSD to have a predictable and manageable future for facilities, taxation of its community to build new school facilities, and adequate enrollments to fill its future sites to accommodate a portion of Aspire Solaire residents which may not be in the majority of families with school age children within the territory. And unlike the past mutually agreed to efforts, CUSD receives no territory in return to mitigate its loss. Indeed, the prospect of additional transfer requests seems high as the same arguments put forward in support of the current petition are applicable to additional territory within the Aspire Solaire development. As such, the District should consider forcefully protesting this and any future transfer of territory until such time as a broader, all-encompassing discussion about boundary alignments can be completed to ensure that CUSD does not end up becoming the District of “leftovers”, struggling to operate with fewer resources. Simply put, it is too soon to allow the loss of territory and resources for the District and the residents affected by this petition.