

School Impact Fee Study and Capital Improvement Plan

Prepared for:
Clover School District, South Carolina

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EXECUTIVE SUMMARY

The Clover School District retained TischlerBise to prepare a Capital Improvement Plan and Development Impact Fee Study. Development impact fees are one-time payments used to construct system improvements needed to accommodate new development. A development impact fee represents new growth's proportionate share of capital facility needs. Development impact fees do have limitations, and should not be regarded as the total solution for infrastructure funding needs. Rather, they are one component of a comprehensive portfolio to ensure provision of adequate public facilities needed to serve new development. In contrast to general taxes, development impact fees may not be used for operations, maintenance, replacement of infrastructure, or correcting existing deficiencies.

CLOVER SCHOOL DISTRICT SCHOOL DEVELOPMENT IMPACT FEE OVERVIEW

The Clover School District has seen significant residential growth over the past several years and with it increased enrollment. This growth is expected to continue in the future. The District currently levies no school impact fees. In 1999, the State of South Carolina enacted new development impact fee enabling legislation. Any initiation of Clover School District development impact fees requires a study that complies with the new enabling legislation.

The Clover School District school development impact fees are derived using the incremental expansion approach. This approach determines current level-of-service standards for school buildings (i.e., elementary, middle, and high) and land for school sites. Level-of-service standards are derived using 2018-2019 permanent capacity and are expressed as follows:

1. School buildings: Square feet per student by type of school
2. Land: Acres per student by type of school

A credit is included in the development impact fee to account for outstanding and anticipated debt on existing and future school facilities. Further detail on the approach, levels of service, costs, and credits is provided in the body of this report.

SOUTH CAROLINA DEVELOPMENT IMPACT FEE ACT

The State of South Carolina grants the power for cities and counties to collect impact fees on new development pursuant to the rules and regulations set forth in the South Carolina Development Impact Fee Act (Code of Laws of South Carolina, Section 6-1-910 et seq.). The process to create a local impact fee system begins with a resolution by the County Council directing the Planning Commission to conduct an impact fee study and recommend a development impact fee ordinance for legislative action.

Generally, a governmental entity must have an adopted comprehensive plan to enact impact fees; however, certain provisions in State law allow counties, cities, and towns that have not adopted a comprehensive plan to impose development impact fees. Those jurisdictions must prepare a capital improvements plan as well as prepare a development impact fee study that substantially complies with Section 6-1-960(B) of the Code of Laws of South Carolina.

All counties, cities, and towns are also required to prepare a report that estimates the effect of impact fees on the availability of affordable housing before imposing development impact fees on residential dwelling units. Based on the findings of the study, certain developments may be exempt from development impact fees when all or part of the project is determined to create affordable housing, and the exempt development's proportionate share of system improvements is funded through a revenue source other than development impact fees. A housing affordability analysis in support of the development impact fee study is published as a separate report.

Eligible costs may include design, acquisition, engineering, and financing attributable to those improvements recommended in the local capital improvements plan that qualify for impact fee funding. Revenues collected by the county, city, or town may not be used for administrative or operating costs associated with imposing the impact fee. All revenues from impact fees must be maintained in an interest-bearing account prior to expenditure on recommended improvements. Monies must be returned to the owner of record of the property for which the impact fee was collected if they are not spent within three years of the date they are scheduled to be encumbered in the local capital improvements plan. All refunds to private land owners must include the pro rata portion of interest earned while on deposit in the impact fee account.

If ultimately adopted, the Clover School District would also be responsible for preparing and publishing an annual report describing the amount of development impact fees collected, appropriated, and spent during the preceding year. Subsequent to adoption of a development impact fee ordinance, the Planning Commission will be required to review and update the development impact fee study report, capital improvements plan, housing affordability analysis, and development impact fee ordinance. These updates must occur at least once every five years. Pursuant to State Law, the Clover School District will not be empowered to recommend additional projects eligible for impact fee funding or charge higher maximum allowable impact fees until the development impact fee study and capital improvement plan have been updated.

CONCEPTUAL DEVELOPMENT IMPACT FEE CALCULATION

In contrast to project-level improvements, development impact fees fund growth-related infrastructure that will benefit multiple development projects, or the entire jurisdiction (referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of demand units for each unit of development. For example, an appropriate indicator of the demand for schools is population growth, and the increase in population can be estimated from the average number of students per housing unit. The second step in the development impact fee formula is to determine infrastructure units per demand unit, typically called level-of-service (LOS) standards. In keeping with the school example, a common LOS standard is square footage per student. The third step in the development impact fee formula is the cost of various infrastructure units. To complete the school example, this part of the formula would establish the cost per square foot for school facility construction.

GENERAL METHODOLOGIES

There are three general methods for calculating development impact fees. The choice of a particular method depends primarily on the timing of infrastructure construction (past, concurrent, or future) and service characteristics of the facility type being addressed. Each method has advantages and disadvantages in a particular situation, and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development impact fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of impact fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss three basic methods for calculating development impact fees and how those methods can be applied.

Cost Recovery (Past Improvements)

The rationale for recoupment, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.

Incremental Expansion (Concurrent Improvements)

The incremental expansion method documents current level-of-service (LOS) standards for each type of public facility, using both quantitative and qualitative measures. This approach ensures that there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increment to keep pace with development, and is the methodology used for this school development impact fee calculation.

Plan-Based Fee (Future Improvements)

The plan-based method allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

Credits

Regardless of the methodology, a consideration of “credits” is integral to the development of a legally defensible development impact fee methodology. There are two types of “credits” with specific characteristics, both of which should be addressed in development impact fee studies and ordinances.

- First, a revenue credit might be necessary if there is a double payment situation and other revenues are contributing to the capital costs of infrastructure to be funded by impact fees. This type of credit is integrated into the impact fee calculation, thus reducing the fee amount.
- Second, a site-specific credit or developer reimbursement might be necessary for dedication of land or construction of system improvements funded by impact fees. This type of credit is addressed in the administration and implementation of the impact fee program.

PROPOSED DEVELOPMENT IMPACT FEE SCHEDULE

As documented in this report, the Clover School District has complied with the South Carolina Development Impact Fee Act and applicable legal precedents. Development impact fees are proportionate and reasonably related to capital improvement demands of new development. Specific costs have been identified using local data and current dollars. This report documents the formulas and input variables used to calculate the school impact fees. Development impact fee methodologies also identify the extent to which new development is entitled to various types of credits to avoid potential double payment of growth-related capital costs.

School development impact fees are applied only to residential development and are per housing unit, reflecting the proportionate demand by type of unit. The amounts shown are “maximum allowable” amounts based on the methodologies, levels of service, and costs for the capital improvements identified herein. The fees represent the highest amount feasible for each type of applicable development, which represent new growth’s fair share of the school capital costs detailed in this report. The District, through York County, can adopt amounts that are lower than the maximum amounts shown; however, a reduction in fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in the School District’s level of service.

Figure 1 provides the maximum allowable school development impact fees for the Clover School District. For a single family unit, the maximum supportable fee amount is \$15,014 per unit. For a multifamily unit, the maximum supportable development impact fee amount is \$7,420. For a mobile home unit, the maximum supportable development impact fee amount is \$9,828.

Figure 1: Maximum Allowable School Development Impact Fees

Maximum School Impact Fees: Clover School District				
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	
	<i>(PK-5)</i>	<i>(6-8)</i>	<i>(9-12)</i>	<i>Allowable Fee</i>
Single Family	\$8,089	\$156	\$6,769	\$15,014
Multifamily	\$3,829	\$68	\$3,522	\$7,420
Mobile Home	\$4,611	\$99	\$5,118	\$9,828

A note on rounding: Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using one, two, and three digit places, which represent

rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).



STUDENT GENERATION RATES AND PROJECTED ENROLLMENT

STUDENT GENERATION RATES

Section 6-1-960(3) of the South Carolina Development Impact Fee Act requires:

“a definitive table establishing the specific service unit for each category of system improvements and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, agricultural, and industrial, as appropriate.”

Demand for additional school capacity will come from new residential development. To determine the level of this demand, student generation rates are used as the “service unit” for the school development impact fees. The term “student generation rate” refers to the number of non-charter, public school students per housing unit within the Clover School District. Public school students are a subset of school-aged children, which includes students in private schools and home-schooled children. Student generation rates are important demographic factors that help account for variations in demand for school facilities by type of housing. Students per housing unit are held constant over the projection period since the impact fees represent a “snapshot approach” of current levels of service and costs.

Student generation rates for the Clover School District were developed by TischlerBise, based on housing unit data provided York County and student data compiled by Dr. H. Dale Holden. Dr. Holden has provided Clover School District with planning services since 2005 that are primarily related to managing student growth. These services have included short and long-range enrollment projections, as well as the development of attendance area plans at the elementary, middle and high school levels. Shown in Figure 2 below, York County provided counts on housing units by type within the boundary of the Clover School District. The housing unit types that will be used in the impact fee calculations are (1) Single Family, (2) Multifamily, and 3) Mobile Home. Public school students by school level and housing type were developed by Dr. Holden, based on geo-coded pupil data from the Clover School District.

Figure 2: Clover School District Public School Students by Housing Unit Type

	Housing Unit Type			Total
	Single Family	Multifamily*	Mobile Home	
Elementary School	3,231	261	363	3,492
Middle School	1,577	118	135	1,695
High School	1,921	170	287	2,091
	6,729	549	785	7,278

	Housing Unit Type			Total
	Single Family	Multifamily*	Mobile Home	
Housing Units	15,595	2,659	3,084	21,338

Source: Housing unit and student information was compiled by Dr. Dale Holden based on geo-coded data obtained from the Clover School District and York County

*Includes townhomes

Next, using the totals above, student generation rates by housing unit type are calculated by dividing the number of students in each type of unit by the total number of housing units in the Clover School District. Figure 3 indicates that a single family unit is estimated to generate a total of .431 students, with .207 in elementary grades, .0101 in middle school grades, and .123 in high school grades. A multifamily unit is estimated to generate .206 students per unit and a mobile home is estimated to generate .255 students per unit.

Figure 3: Public School Students in Clover School District by Housing Unit Type

	Housing Unit Type		
	Single Family	Multifamily*	Mobile Home
Elementary School	0.207	0.098	0.118
Middle School	0.101	0.044	0.044
High School	0.123	0.064	0.093
TOTAL	0.431	0.206	0.255

Source: TischlerBise

*Includes townhomes

STUDENT ENROLLMENT PROJECTIONS

Section 6-1-960(6) of the South Carolina Development Impact Fee Act requires:

“the total number of service units necessitated by and attributable to new development within the service area, based on the land use assumptions and calculated in accordance with generally accepted engineering or planning criteria.”

Enrollment projections are based on Dr. Dale Holden's 5-year projections for the Clover School District. As shown in Figure 4, current enrollment is 8,056. By the 2023-2024 school year, the Clover School District is projected to have a total enrollment of 9,239, an increase of 1,183 students. Conversations with School District staff and Dr. Holden indicate these projections are conservative. Because a projection of students beyond 5 years is needed to determine debt service credits (discussed later in this Report), TischlerBise utilized a straight-line projection based on the average annual increase over years 1 through 5. Utilizing this approach, the 10-year increase in students is estimated at 2,368 and the 20-year increase is estimated at 4,738 students. Yearly detail by school level is provided below. **The student enrollment numbers in Figure 4 differ slightly from those in Figure 2 due to the month the numbers were extracted and the variability of Pre-K enrollment. Data provided in Figure 2 was extracted in November, 2018 and included 332 Pre-K students while data shown in Figure 4 was extracted in December, 2018.**

Figure 4: Projected Clover School District Enrollment

2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2028-2029	10-Year	20-Year
Base Yr	1	2	3	4	5	10	Change	Change
3,515	3,565	3,680	3,775	3,860	3,951	4,386	871	1,741
1,832	1,991	2,013	2,127	2,102	2,161	2,491	659	1,319
2,377	2,413	2,510	2,539	2,711	2,795	3,215	838	1,678
7,724	7,969	8,203	8,441	8,673	8,907	10,092	2,368	4,738
8,056	8,301	8,535	8,773	9,005	9,239	10,424	3,865	7,735

**Enrollment projections in years 1-5 based on 2018 Dr. Holden Projections. Years 6-20 are based on a straight-line projection using the average annual increases from years 1-5.*

*** Pre K Enrollment of 332 held constant over period*

CAPITAL IMPROVEMENT PLAN

OVERVIEW OF CURRENT SCHOOL FUNDING ARRANGEMENTS

Section 6-1-960(8) of the South Carolina Development Impact Fee Act requires:

“identification of all sources and levels of funding available to the governmental entity for the financing of the system improvements.”

The construction of schools is largely the responsibility of each School District. In the case of the Clover School District, the District is 100% responsible for the funding of new school capacity. Historically, the District has funded new school construction through the issuance of bonds, backed by property tax revenue. South Carolina’s State Constitution allows government entities to issue bonds to fund capital projects (construction of new schools and improvements to existing schools). The District has never collected development impact fees on new construction of residential units within the District boundaries. The District is interested in adopting development impact fees and applying the revenue to reduce the amount of principal the District needs to bond to construct needed school facilities in the future. In order to lessen the burden on existing residents and businesses of funding growth-related school capacity needs, the District has determined a development impact fee structure needs to be implemented to reflect current levels of service and costs.

BUILDING AND SITE LEVEL-OF-SERVICE STANDARDS

Section 6-1-960(1) of the South Carolina Development Impact Fee Act requires:

“a general description of all existing facilities and their existing deficiencies, within the service area or areas of the governmental entity, a reasonable estimate of all costs, and a plan to develop the funding resources, including existing sources of revenues, related to curing existing deficiencies including, but not limited to, the upgrading, updating, improving, expanding, or replacing of these facilities to meet existing needs and usage.”

Section 6-1-960(2) of the South Carolina Development Impact Fee Act requires:

“an analysis of total capacity, the level of current usage, and commitments for usage of capacity of existing public facilities, which must be prepared by a qualified professional using generally accepted principles and professional standards.”

This section provides current inventories of elementary, middle, and high schools in the Clover School District. The data contained in these tables are used to determine infrastructure standards for school buildings and sites on which the development impact fees are based.

Elementary Schools

The inventory and current levels of service for Clover School District elementary schools are shown below in Figure 5. As indicated in Figure 5, elementary school buildings have a total of 690,597 thousand square feet of building floor area on 240.60 acres. Total enrollment in all elementary schools for the 2018 school year is 3,847 and total permanent capacity is 4,759. In the 2018 school year, elementary school utilization

percentages range from a low of 72% at Bethel to a high of 90% at Bethany. Utilization for the entire elementary school inventory is 81%.

Since elementary schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded in Figure 5). This ensures new development is not charged for a higher level of service than what is currently provided or what is planned to be provided, using a level of service that is based on capacity represents the level of service the District provides (or will ultimately provide).

Levels of service are shown for buildings and land for elementary schools at the bottom of Figure 5. Levels of service are calculated by dividing the amount of infrastructure by total enrollment and capacity. (For example, 690,597 square feet of school building space is divided by a permanent capacity of 4,759 students to arrive at 145.11 square feet per student.) Because District elementary schools are currently below capacity, levels of service differ when calculated based on enrollment and capacity. For example, the building square footage level of service is 179.52 square feet per student when based on enrollment versus a level of service of 145.11 square feet per student when based on capacity.

Current levels of service are:

Land: 0.0506 acres per student

Buildings: 145.11 square feet per student

Figure 5: Clover School District Elementary Schools

Facility	Building Sq Ft	Acreage	2018 Enrollment	Permanent Capacity	Utilization
Bethany Elementary	59,688	13.90	386	430	90%
Bethel Elementary	63,765	18.40	343	410	84%
Kinard Elementary	70,820	9.00	424	470	90%
Larne Elementary	121,000	50.60	581	740	79%
Griggs Road Elementary	90,000	33.80	512	615	83%
Crowders Creek Elementary	164,324	80.50	945	1,310	72%
Oakridge Elementary	121,000	34.40	656	784	84%
TOTAL	690,597	240.60	3,847	4,759	81%

<i>Elementary School Levels of Service</i>	<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)	179.52	0.0625
LOS per Student (current capacity)	145.11	0.0506

Source: Clover School District

Middle Schools

The inventory and current levels of service for middle schools are shown in Figure 6. As indicated in Figure 6, middle school buildings have a total of 365,715 square feet of gross floor area on approximately 162 acres. Total enrollment in all middle schools for the 2018 school year is 1,832 and total permanent capacity 2,212. Utilization percentages for individual schools are calculated by dividing enrollment by capacities. Overall, middle schools are operating at 83% capacity for the 2018 school year.

Levels of service are shown for buildings and land for middle schools at the bottom of Figure 6. Since middle schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded in Figure 6). Levels of service are calculated by dividing the amount of infrastructure by capacity (365,715 square feet of school building space is divided by middle school total capacity of 2,000 students to arrive at 165.33 square feet per student).

Current levels of service are:

Land: 0.0735 acres per student

Buildings: 165.33 square feet per student

Figure 6: Clover School District Middle Schools

Facility	Building Sq Ft	Acreage	2018 Enrollment	Permanent Capacity	Utilization
Clover Middle School	185,715	125.70	891	1,080	83%
Oakridge Middle School	180,000	36.90	941	1,132	83%
TOTAL	365,715	162.60	1,832	2,212	83%

<i>Middle School Levels of Service</i>	<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)	199.63	0.0888
LOS per Student (current capacity)	165.33	0.0735

Source: Clover School District

High Schools

The inventory and current levels of service for high schools are shown in Figure 7. As indicated in Figure 7, high school buildings have a total of 502,087 square feet of gross floor area on approximately 155 acres. Total enrollment in all high schools for the 2018 school year is 2,377 and total capacity is 3,259. Utilization percentages for individual schools are calculated by dividing enrollment by capacities. Overall, high schools are at 73% capacity for the 2018 school year.

Levels of service are shown for buildings and land for high schools at the bottom of Figure 7. Since high schools overall are currently operating under capacity, there are no existing deficiencies. Therefore, *the level of service standard on which the impact fees are based is calculated using existing capacity* (shaded

in Figure 7). Levels of service are calculated by dividing the amount of infrastructure by capacity (502,087 square feet of school building space is divided by high school total capacity of 3,259 students to arrive at 154.06 square feet per student).

Current levels of service are:

Land: 0.0476 acres per student

Buildings: 154.06 square feet per student

Figure 7: Clover School District High Schools

Facility	Building Sq Ft	Acreage	2018 Enrollment	Permanent Capacity	Utilization
Clover High School	502,087	155.20	2,377	3,259	73%
TOTAL	502,087	155.20	2,377	3,259	73%

<i>High School Levels of Service</i>		<i>Building SF</i>	<i>Land</i>
LOS per Student (current enrollment)		211.23	0.0653
LOS per Student (current capacity)		154.06	0.0476

Source: Clover School District

Administrative Facilities

Another infrastructure component included in the development impact fee is for the administrative space necessary for the School District to provide support services for students, schools, telecommunications, transportation, etc. As shown in Figure 8, the School District's administrative space totals 61,000 square feet. When this is compared to the current enrollment of 8,056, the level of service standard is 3.72 square feet per student. The School District's engineers estimate the cost to construct additional administrative space at \$175 per square foot. When the level of service standard (7.57 square feet per student) is multiplied by the cost per square foot (\$175), the resulting cost per student is \$1,325.10.

Figure 8. Administrative Space

Facility	Building Square Foot	Cost per Square Foot	Replacement Cost
Administrative Space	30,000	\$175	\$5,250,000
IT Warehouse and Office	10,000	\$175	\$1,750,000
Maintenance Warehouse and Office	21,000	\$175	\$3,675,000
TOTAL	61,000	\$175	\$10,675,000

Enrollment (2018)	8,056
Square Feet per Student	7.57
Cost per Student	\$1,325.10

Source: Clover School District

Bus Costs

The School District owns a fleet of buses, which will need to be expanded to accommodate increased enrollment. The School District's current fleet includes 20, which have a purchase price of \$90,000. When number of buses (20) is compared to the current enrollment of 8,056, the level of service standard is 0.0025 buses per student. Based on a purchase price of \$90,000, the cost per student is \$223.44.

Figure 9. Buses

Buses	Buses	Cost per Bus	Replacement Cost
Buses	20	\$90,000	\$1,800,000
	Enrollment (2018)		8,056
	Buses per Student		0.0025
	Cost per Student		\$223.44

Source: Clover School District

PLANNED CAPACITY PROJECTS

Section 6-1-960(9) of the South Carolina Development Impact Fee Act requires:

"a schedule setting forth estimated dates for commencing and completing construction of all improvements identified in the capital improvements plan."

Figure 8 lists the capacity-related projects the Clover School District has planned for the next ten years. These school capacity projects are being considered as part of a future bond referendum effort. The School District has one elementary school planned in the next five years, as well as a new high school. As indicated in Figure 10, the new elementary school will add 872 student seats while the planned high school will add 2,000 student seats.

Figure 10: Clover School District Planned Capacity Projects

Site	Est. Year	Student Capacity	Sq. Ft.
New Elementary School #8	2024-2025	872	115,000
New High School #2	2021-2023	900	130,000

Source: Clover School District

FUTURE CAPACITY PROJECTION

Section 6-1-960(5) of the South Carolina Development Impact Fee Act requires:

"a description of all system improvements and their costs necessitated by and attributable to new development in the service area, based on the approved land use assumptions, to provide a level

of service not to exceed the level of service currently existing in the community or service area, unless a different or higher level of service is required by law, court order, or safety consideration.”

Section 6-1-960(7) of the South Carolina Development Impact Fee Act requires:

“the projected demand for system improvements required by new service units projected over a reasonable period of time not to exceed twenty years.”

The Clover School District’s permanent capacity is 10,230 student seats. By school type, permanent capacity is as follows: elementary school – 4,759; middle school – 2,212; and high school – 3,259. Based on the 2018-2019 enrollment, current permanent capacity utilization is 81% for elementary schools, 83% for middle schools, and 73% for high schools.

As the School District’s student enrollment increases, new development will demand additional school infrastructure. If the permanent student seats currently being considered and identified for an upcoming District bond referendum are constructed, these student seats will **serve some** of the demand placed on the School District by new development. As shown in Figure 9, 872 elementary school student seats are planned over the next ten years. **Without any additional student seats, elementary schools will utilize 101% of their permanent capacity** at the end of ten years. Planned elementary student seats will reduce permanent capacity utilization from 101% to 85%.

Figure 9: Planned Elementary School Capacity Utilization

Elementary Schools				
School Year	Projected Enrollment	Planned Student Stations*	Total Student Stations*	Utilization
Base	3,847	N/A	4,759	81%
2019-2020	3,897	0	4,759	82%
2020-2021	4,012	0	4,759	84%
2021-2022	4,107	0	4,759	86%
2022-2023	4,192	0	4,759	88%
2023-2024	4,283	0	4,759	90%
2024-2025	4,370	872	5,631	78%
2025-2026	4,457	0	5,631	79%
2026-2027	4,544	0	5,631	81%
2027-2028	4,631	0	5,631	82%
2028-2029	4,718	0	5,631	84%
2029-2030	4,805	0	5,631	85%
10-Yr Change	908	872		

Utilization Without New Student Stations: 101%

*Based on current permanent student stations and planned permanent student stations.

As shown in Figure 10, no new middle school student seats are planned over the next ten years. **However, without additional middle school capacity, projected middle school utilization is 116% at the end of ten years.**

Figure 10: Planned Middle School Capacity Utilization

<i>Middle Schools</i>				
<i>School Year</i>	<i>Projected Enrollment</i>	<i>Planned Student Stations*</i>	<i>Total Student Stations*</i>	<i>Utilization</i>
Base	1,832	N/A	2,212	83%
2019-2020	1,991	0	2,212	90%
2020-2021	2,013	0	2,212	91%
2021-2022	2,127	0	2,212	96%
2022-2023	2,102	0	2,212	95%
2023-2024	2,161	0	2,212	98%
2024-2025	2,227	0	2,212	101%
2025-2026	2,293	0	2,212	104%
2026-2027	2,359	0	2,212	107%
2027-2028	2,425	0	2,212	110%
2028-2029	2,491	0	2,212	113%
2029-2030	2,557	0	2,212	116%
10-Yr Change	566	0		

Utilization Without New Student Stations: 116%

*Based on current permanent student stations and planned permanent student stations.

As shown in Figure 11, 2,000 high school student seats are planned over the next ten years. **Without these planned student seats, high schools will utilize 101% of their permanent capacity at the end of ten years.** Planned high school student seats will reduce permanent capacity utilization from 101% to 63%. In summary, the planned high school capacity expansion over the next ten years is needed to serve projected demand over the next ten years, without which additional student seats will be needed shortly after 2030.

Figure 11: Planned High School Capacity Utilization

<i>High Schools</i>				
<i>School Year</i>	<i>Projected Enrollment</i>	<i>Planned Student Stations*</i>	<i>Total Student Stations*</i>	<i>Utilization</i>
Base	2,377	N/A	3,259	73%
2019-2020	2,413	0	3,259	74%
2020-2021	2,510	0	3,259	77%
2021-2022	2,539	0	3,259	78%
2022-2023	2,711	2,000	5,259	52%
2023-2024	2,795	0	5,259	53%
2024-2025	2,879	0	5,259	55%
2025-2026	2,963	0	5,259	56%
2026-2027	3,047	0	5,259	58%
2027-2028	3,131	0	5,259	60%
2028-2029	3,215	0	5,259	61%
2029-2030	3,299	0	5,259	63%
10-Yr Change	886	2,000		

Utilization Without New Student Stations: 101%

*Based on current permanent student stations and planned permanent student stations.

SCHOOL IMPACT FEE CALCULATION

METHODOLOGY

The Clover School District school development impact fee methodology is based on current average public school student generation rates, level-of-service standards, and local costs. The school development impact fees use an incremental expansion approach, which documents the current level of service for public facilities in both quantitative and qualitative measures. The intent is to use development impact fee revenue to expand or provide additional facilities, as needed to accommodate new development, based on the current level of service and cost to provide capital improvements. All school levels are included in the development impact fees. Costs for school buildings (including contents), and land for school sites are included in the fee. Finally, credits for principal payments on existing and future debt is included.

SERVICE/BENEFIT AREA

TischlerBise recommends a District-wide development impact fee service area. The Clover School District services a geographic area of approximately 140 square miles, with new construction occurring throughout the District service area. As new schools are needed to provide services to the continually growing student population, attendance lines are reviewed and adjusted for the entire District. This method of District-wide attendance line review ensures all students receive a high quality of education at the current level of service standards.

CONSTRUCTION COSTS

The Clover School District is responsible for 100% of new school construction costs in the District. The construction cost assumptions are based on estimates provided by the Clover School District construction staff and are based on estimates developed by Cumming, the District's construction management firm. The estimated construction cost assumptions are \$345 per square foot for elementary schools, and \$430 per square foot for high schools.

Figure 12: Construction Cost Assumptions

Site	Est. Year	Cost	Student Capacity	Sq. Ft.	Est. Cost/Sq. Ft.
New Elementary School #8	2024-2025	\$39,719,403	872	115,000	\$345
New High School #2	2021-2023	\$150,335,974	2,000	350,000	\$430

Source: Clover School District

LAND COSTS

The Clover School District has previously anticipated the need to purchase land for future school sites to accommodate school capital needs brought about by new residential development in the District. School District staff provided acreage and sales price data for recent land purchases totaling approximately 278

acres at a cost of approximately \$9,132,197 million. As shown in Figure 13, the weighted average cost per acre used in this study is \$32,812 per acre. These parcels provide a representative sample of land prices throughout the District, which is critical since the District's capacity needs are Districtwide. In addition, this results in a cost per acre assumption that is reflective of *actual* land purchases over the last twenty years. In other words, it is a perfectly reasonable approximation of expected land costs and may actually be on the conservative side. If anticipated land purchases were identified and made public as part of this study, it would likely have the effect of reducing the District's negotiating leverage and result in an even greater cost per acre assumption.

Figure 13: Land Cost Assumptions

<i>Site</i>	<i>Year</i>	<i>Original Cost</i>	<i>Acres</i>	<i>Total Cost Per Acre</i>
Daimler Blvd. Property (Banked Site)	2010	\$6,853,695	172.42	\$39,750
		\$6,853,695	172.42	\$39,750
<i>Site</i>	<i>Year</i>	<i>Original Cost</i>	<i>Acres</i>	<i>Total Cost Per Acre</i>
Clover Middle School	1999	\$862,385	50.00	\$17,248
Larne Elementary Site*	2008	\$408,510	17.00	\$24,030
District Office Site	NA	\$1,007,607	38.90	\$25,902
		\$2,278,502	105.90	\$21,516
Grand Total		\$9,132,197	278.32	\$32,812

Source: Clover School District

* Original Larne purchase was 50 acres for \$1,201,500

CREDITS FOR FUTURE PRINCIPAL PAYMENTS ON EXISTING SCHOOL IMPROVEMENTS

Section 6-1-990(B)(3) of the South Carolina Development Impact Fee Act requires and analysis of:

“extent to which the new development contributes to the cost of system improvements”

Because the Clover School District debt-financed recent school capacity expansions, a credit is included for future principal payments on outstanding debt. A credit is necessary since new residential units that will pay the development impact fee will also contribute to future principal payments on this remaining debt through property taxes. A credit is not necessary for interest payments because interest costs are not included in the development impact fee. This credit for outstanding debt is credited to residential development at a rate of 69%, which is the residential percentage of the overall taxable value of real property within the Clover School District.

As shown in Figure 14, outstanding debt from school capacity expansion projects allocated to residential development is estimated at approximately \$71 million. Annual principal payments are divided by student enrollment in each year to determine a per student credit. For example, in the 2018-2019 school year, the total principal paid by the residential tax base (\$2,932,500) is divided by projected enrollment of 8,056 for a payment per student of \$364. To account for the time value of money, annual payments per student are discounted using a net present value formula based on an average interest rate of 3.5%. The total net

present value of future principal payments per student is \$5,290. This amount is subtracted from the gross capital cost per student to derive a net capital cost per student.

Figure 14: Credit for Future Principal Payments on Existing Debt

	School Year	Principal Payments*	Projected Enrollment	Total Credit per Student
1	2018-2019	\$2,932,500	8,056	\$364
2	2019-2020	\$3,080,850	8,301	\$371
3	2020-2021	\$3,239,550	8,535	\$380
4	2021-2022	\$3,405,150	8,773	\$388
5	2022-2023	\$3,577,650	9,005	\$397
6	2023-2024	\$4,217,280	9,239	\$456
7	2024-2025	\$4,217,280	9,476	\$445
8	2025-2026	\$4,217,280	9,713	\$434
9	2026-2027	\$4,217,280	9,950	\$424
10	2027-2028	\$4,217,280	10,187	\$414
11	2028-2029	\$5,484,120	10,424	\$526
12	2029-2030	\$5,484,120	10,661	\$514
13	2030-2031	\$5,484,120	10,898	\$503
14	2031-2032	\$5,484,120	11,135	\$493
15	2032-2033	\$5,484,120	11,372	\$482
16	2033-2034	\$6,175,500	11,609	\$532
Total		\$70,918,200		\$7,124

Discount Rate	3.5%
Net Present Value	\$5,290

Source: Clover School District

*Principal payment credits are adjusted to reflect the percentage of
Clover School District residential assessed base, which is 69%**

Credit for Existing and Future Debt Principal

The Clover School District would need to issue debt through a bond referendum to fund future school construction. Because this referendum has not been proposed at the time of this Capital Improvement Plan and Development Impact Fee Study, TischlerBise has estimated what the principal payments would be on a bond issued in 2019 in the amount of anticipated school construction. To ensure that new development does not “double pay” through the development impact fee and again through future property tax payments, a credit is included for estimated principal payments on this future debt. A credit is not necessary for interest payments because interest costs are not included in the impact fee. This credit

for future debt is credited to residential development at a rate of 69%, which is the residential percentage of the overall taxable value of real property within the Clover School District.

As shown in Figure 15, projected future debt from school capacity expansion projects allocated to residential development is estimated at approximately \$136.6 million. Projected annual principal payments are divided by student enrollment in each year to determine a per student credit. For example, in the 2022-2023 school year, the total projected principal paid by the residential tax base (\$6,832,460) is divided by projected enrollment of 9,005 for a payment per student of \$759. To account for the time value of money, annual payments per student are discounted using a net present value formula based on the projected interest rate of 3.5%. The total net present value of future principal payments per student is \$8,962. This amount is subtracted from the gross capital cost per student to derive a net capital cost per student.

Figure 15: Credit for Principal Payments on Future Debt

<i>School Year</i>	<i>Principal Payments*</i>	<i>Projected Enrollment</i>	<i>Total Credit per Student</i>
2022-2023	\$6,832,460	9,005	\$759
2023-2024	\$6,832,460	9,239	\$740
2024-2025	\$6,832,460	9,476	\$721
2025-2026	\$6,832,460	9,713	\$703
2026-2027	\$6,832,460	9,950	\$687
2027-2028	\$6,832,460	10,187	\$671
2028-2029	\$6,832,460	10,424	\$655
2029-2030	\$6,832,460	10,661	\$641
2030-2031	\$6,832,460	10,898	\$627
2031-2032	\$6,832,460	11,135	\$614
2032-2033	\$6,832,460	11,372	\$601
2033-2034	\$6,832,460	11,609	\$589
2034-2035	\$6,832,460	11,846	\$577
2035-2036	\$6,832,460	12,083	\$565
2036-2037	\$6,832,460	12,320	\$555
2037-2038	\$6,832,460	12,557	\$544
2038-2039	\$6,832,460	12,794	\$534
2039-2040	\$6,832,460	13,126	\$521
2040-2041	\$6,832,460	13,458	\$508
2041-2042	\$6,832,460	13,790	\$495
Total	\$136,649,192		\$12,305

Discount Rate	3.5%
Net Present Value	\$8,962

Source: Clover School District

Principal payment credits are adjusted to reflect the percentage of
Clover School District residential assessed base, which is 69%*

Credit for Excess Revenue

In addition to credits for existing and future contributions to debt principal payments, TischlerBise also evaluated the extent to which new development may contribute to school capital facility construction through other revenue sources.

The current school funding structure in South Carolina, under Act 388, separates revenue streams for capital projects and general operations. The Clover School District funds capital projects, such as new school construction, through its debt millage, which is currently set at 24 mills. A credit, intended to offset

this annual contribution of debt millage for future principal payments on existing and future, is discussed above.

General operational budgets are funded by tax on commercial and rental properties, owner-occupied homes are exempt. The majority of homes within the District are owner-occupied and do not pay operating millage to the District. Therefore, a credit for additional revenue that contributes to the cost of system improvements is not required.

SCHOOL DEVELOPMENT IMPACT FEE INPUT VARIABLES

Factors used to derive the Clover School District's school development impact fees are summarized in Figure 16. Development impact fees for schools are based on student generation rates (i.e., public school students per housing unit) and are only assessed on residential development. Level-of-service standards are based on current costs per student for school buildings and land, as described in the previous sections and summarized below. **It is important to note that we are recommending no construction or land component for the middle school portion of the development impact fee, as the District has no plans to construction additional middle school space at the present.**

The gross capital cost per student is the sum of the cost per student for each component. For example, for the elementary school portion, the calculation is as follows: $\$50,120$ [building construction] + $\$1,659$ [land] + $\$1,325$ [administrative space] + $\$223$ [buses] = $\$53,328$ gross capital cost per student.

The net local capital cost per student is the sum of the gross capital cost per student and the recommended revenue credits. Continuing with the elementary school example, the calculation is as follows: $\$53,328$ [gross capital cost per student] - $\$5,290$ [credit for future payments on existing debt service principal] - $\$8,962$ [credit for future payments on future debt service principal] = $\$39,075$ net local capital cost per student. The same approach is followed for high schools.

Figure 16: School Development Impact Fee Input Variables

<i>Public School Students per Housing Unit</i>	School Level			<i>TOTAL</i>
	<i>Elementary</i> (PK-5)	<i>Middle School</i> (6-8)	<i>High</i> (9-12)	
Single Family	0.207	0.101	0.123	0.431
Multifamily	0.098	0.044	0.064	0.206
Mobile Home	0.118	0.064	0.093	0.275

Current Level of Service Standards			
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>
Permanent Building Square Feet per Student	145.11	N/A	154.06
Cost per Square Foot	\$345	N/A	\$430
Total Building Construction Cost per Student	\$50,120	\$0	\$66,174
Acreage per Student	0.0506	N/A	0.0476
Land Cost per Acre	\$32,812	N/A	\$32,812
Land Cost per Student	\$1,659	\$0	\$1,563
Administrative Square Feet per Student	7.57	7.57	7.5720
Cost per Square Foot	\$175	\$175	\$175
Total Admin. Facility Cost per Student	\$1,325	\$1,325	\$1,325
Buses per Student	0.0025	0.0025	0.0025
Cost per Bus	\$90,000	\$90,000	\$90,000
Total Bus Cost per Student	\$223	\$223	\$223
Total Gross Capital Cost per Student	\$53,328	\$1,549	\$69,285
Credit for Future Debt Principal	(\$8,962)	\$0	(\$8,962)
Credit for Existing Debt Principal	(\$5,290)	\$0	(\$5,290)
Total Net Local Capital Cost per Student	\$39,075	\$1,549	\$55,033

MAXIMUM SUPPORTABLE SCHOOL DEVELOPMENT IMPACT FEES

Figure 17 shows the schedule of maximum supportable development impact fees for the Clover School District. The development impact fees are calculated by multiplying the student generation rate for each housing type (shown in Figure 3) by the net capital cost per student for each type of school. Each component is then added together to derive the total school development impact fee.

For example, for a single family unit, the elementary school portion of the development impact fee is calculated by multiplying the student generation rate of .207 by the net local capital cost per elementary student of \$39,075, which results in a fee of \$8,089 per single family unit. This is repeated for the other

school levels. Totals for the three school levels of the development impact fee are added together to calculate the total fee per single family unit of \$15,258 (\$8,089 + \$156 + \$6,769 = \$15,014). This is repeated for the multifamily and mobile home housing types.

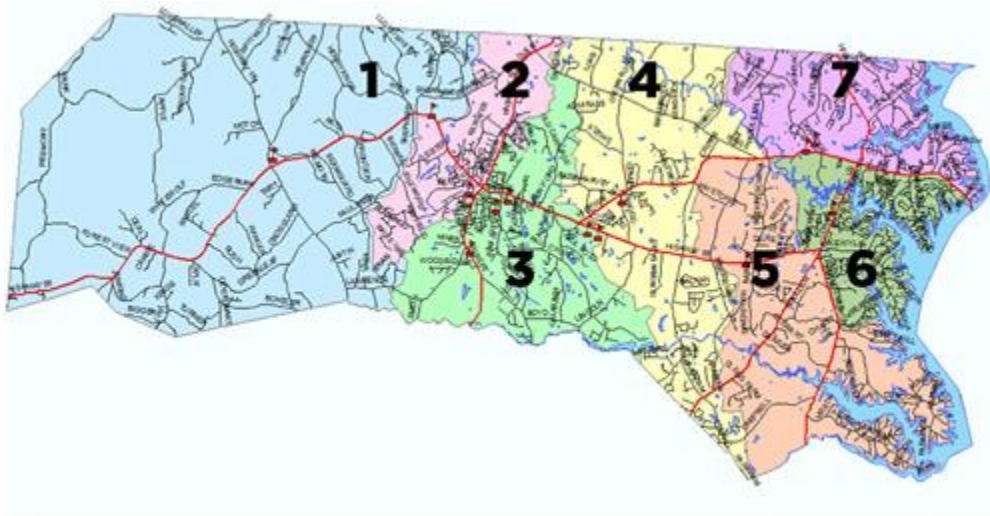
Figure 17: Maximum Supportable School Development Impact Fees

Maximum School Impact Fees: Clover School District				
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	
	<i>(PK-5)</i>	<i>(6-8)</i>	<i>(9-12)</i>	<i>Allowable Fee</i>
Single Family	\$8,089	\$156	\$6,769	\$15,014
Multifamily	\$3,829	\$68	\$3,522	\$7,420
Mobile Home	\$4,611	\$99	\$5,118	\$9,828

APPENDIX A – HOUSING AFFORDABILITY ANALYSIS

In accordance with South Carolina Development Impact Fee Act (Code of Laws of South Carolina, Title 6, Article 9, Chapter 1), this chapter estimates the effects of imposing the proposed school development impact fee on the affordability of housing in the Clover School District. The analysis will examine the current household income and housing expenses that burden an average household in the District. Next, the maximum school development impact fee will be included in the cost burden analysis to identify the effect the proposed school impact fee will have on affordable housing in the District. This analysis includes all households in the Town of Clover, Lake Wylie and the unincorporated areas of York County within the District.

Image A1. Clover School District



Source: Clover School District

South Carolina Development Impact Fee Act

Affordable housing is defined in South Carolina Development Impact Fee Act as housing to families whose incomes do not exceed 80% of the median income for the service area or areas within the jurisdiction of the governmental entity. The Act does not mention a preferred methodology to examine the household's whose income does not exceed 80% of the median income. Therefore, the analysis uses the US Housing and Urban Development's (HUD) criteria that housing should be 30% or less of a household's income. The cost of housing is "moderately burdensome" if its cost burden is over 30% and "severely burdensome" if the ratio is over 50%.

PROPOSED SCHOOL IMPACT FEE

The school impact fees found in Figure A1 are new development's fair share of the cost to provide additional school capacity in the Clover School District. The District may recommend, and York County may adopt on the District's behalf fees that are less than the amounts shown. However, a reduction in impact fee revenue will necessitate an increase in other revenues, a decrease in planned capital expenditures, and/or a decrease in levels of service. The housing affordability analysis will assume a conservative condition for assessing the effect of the impact fee on affordable housing in Clover School District (i.e. the proposed impact fee amount). If the County Council were to choose a lower impact fee amount, the results presented in this report would improve.

Figure A1. Proposed School Impact Fee

Maximum School Impact Fees: Clover School District				
	<i>Elementary</i>	<i>Middle</i>	<i>High</i>	
	<i>(PK-5)</i>	<i>(6-8)</i>	<i>(9-12)</i>	<i>Allowable Fee</i>
Single Family	\$8,089	\$156	\$6,769	\$15,014
Multifamily	\$3,829	\$68	\$3,522	\$7,420
Mobile Home	\$4,611	\$99	\$5,118	\$9,828

HOUSING STOCK

Listed in Figure A2, there were a total of 15,295 housing units in the Clover School District in 2017. Of the total, over 92% are occupied, while 1,082 units are vacant. Additionally, there are 9,470 owner-occupied single family households, 1,580 owner occupied mobile home households and 3,011 renter-occupied households. The majority (75%) of the housing in the District is single family units while 16% is composed of mobile homes.

Figure A2. Clover School District Housing Stock Characteristics

Units in Structure	Owner-Occupied		Renter-Occupied		Renter & Owner Combined				
	Persons	Hsehlds	Persons	Hsehlds	Persons	Hsehlds	Hsg Units	PPHH	PPHU
Single family [1]	25,816	9,470	3,855	1,253	29,671	10,723	11,449	2.77	2.59
2 to 4	69	48	337	181	406	229	264	1.77	1.54
5 or more	174	104	2,251	1,018	2,425	1,122	1,150	2.16	2.11
Mobile Home	3,788	1,580	1,485	559	5,273	2,139	2,432	2.47	2.17
Total	29,847	11,202	7,928	3,011	37,775	14,213	15,295	2.66	2.47
					Vacant HU Occupancy Rate		1,082 92.93%		
Summary by Type of Housing	Totals								
	Persons	Hsehlds	Hsg Units	PPHH	PPHU	Hhld Mix	Hsg Mix		
Single Family [1]	29,671	10,723	11,449	2.77	2.59	75%	75%		
Multifamily [2]	2,831	1,351	1,414	2.10	2.00	10%	9%		
Mobile Home	5,273	2,139	2,432	2.47	2.17	15%	16%		
Total	37,775	14,213	15,295	2.66	2.47	100%	100%		

[1] Includes attached and detached single family homes

[2] Includes all other types except mobile homes

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

HOUSEHOLD INCOME

The purchasing power of Clover School District residents to secure housing is represented by personal income. Personal income includes all wages, tips, and bonuses from employment, as well as retirement income earned from a pension plan or retirement account. In the analysis, household income represents all residents living in the housing unit, no matter relationship. From the US Census Bureau American Community Survey, in 2017 the median annual household income for the District was \$65,800. By using the US Bureau of Labor Statistics' CPI Calculator, the current household income is estimated at \$67,532. The annual income for a household making 80% of the District's median is \$54,026, or \$4,502 per month.

Figure A3. Median Household Income

Median Annual Household Income	Median Annual Household Income	Household Income Factor	80% of Median Annual Income	Monthly Income
\$65,800	\$67,532	80%	\$54,026	\$4,502

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates; U.S. Bureau of Labor Statistics CPI Calculator

COST OF HOMEOWNERSHIP

The analysis uses eight categories to calculate the baseline cost of homeownership in the District: purchase price; mortgage payment; property tax; stormwater management fee; solid waste collection fee; water, sewer and electric utilities; telephone, cable and internet utilities; and homeowners insurance.

Furthermore, monthly household costs vary across the District. To address this variation, the analysis takes a conservative approach and uses the highest cost between the three jurisdictions (Town of Clover, Lake Wylie, and unincorporated areas). As a result, this approach captures an above average monthly expenditure for an average home in the District. The following section details the costs included.

Purchase Price

The median home value is used to estimate the purchase price of a home. The American Community Survey estimates that the median value of a home in the District in 2017 was \$207,919 (US Census Bureau, 2013-2017 American Community Survey 5-Year Estimates). With the US Bureau of Labor Statistics' CPI Calculator, the current home value is estimated to be \$213,396. Currently, the Clover School District and the Town of Clover do not assess impact fees on residential development. Similarly, mobile home values, \$133,000, were estimated by referencing the US Census Bureau data on the sales price of new manufactured homes by region for 2018, land cost obtained from area real-estate listings along with average septic and well pricing from York County business.

Mortgage Payment

A conventional, fixed-rate 30-year mortgage is assumed to estimate monthly costs of principal and interest on a home loan. The down payment for a loan is assumed to be 20% of the purchase price ($\$213,396 \times 20\% = \$42,697$). The loan amount for the mortgage is determined by subtracting the down payment from the purchase price ($\$213,396 - \$42,697 = \$170,717$). An interest rate of 4.03% is assumed for the home purchase based on a survey of competitive interest rates in Clover (www.bankrate.com). The monthly mortgage payment is \$818. Identical analysis was performed for mobile home ownership resulting in a monthly mortgage payment of \$509.

Property Tax

To calculate annual property tax, homes in the District that are permanent residences are subject to 4% assessment ratio and a property tax age rate. Of the three jurisdictions, the Town of Clover has the highest age rate of 0.1180 and is applied to the median home value. Assumed in the analysis, annual property tax for the average valued home is \$1,886 ($\$213,396 \times 4\% \times 0.221 = \$1,886$).

Stormwater Management Fee

In the Clover School District, the unincorporated areas of York County have the highest stormwater management fee. The fee to operate and maintain the stormwater management system is \$60 per year for a housing unit.

Solid Waste Collection Fee

The annual collection fee for curbside trash pickup and recycling services is the highest in the unincorporated areas of the District. The solid waste collection fee is estimated to be \$240 per year.

Water, Sewer, and Electric Utilities

By using data provided in York County's Water and Sewer Financial Planning and Rate Study (2017), the estimated monthly charges for water and sewer are calculated. On average, a household uses 150 gallons of water per day. By combining the water usage with the highest water rate in the District (found in the unincorporated areas), a monthly charge for water of \$30.12 is estimated. On average, a household generates 149 gallons of wastewater per day. The average wastewater flow is combined with the highest rate in the District (found in the Town of Clover) to estimate a monthly charge of \$40.50.

Additionally, for an average household that uses 1,000 kilowatts of electricity per month, Duke Energy charges \$109.46.

Telephone, Cable, and Internet Utilities

Comporium is a provider of telephone, cable, and internet in the Clover School District. From their website, the three services costs \$144.99 per month (www.comporium.com).

Homeowner's Insurance

Homeowner's insurance provides protection for the home and is generally required when a home has a mortgage. The average cost for homeowner's insurance in the District is estimated to be \$930 per year (www.insurance.com).

Monthly Payment

By compiling the monthly obligations, it is estimated that the monthly cost for homeownership is \$1,406 for conventional homes and \$1,037 for mobile homes. At the end of this chapter the monthly costs are listed in Figure A6.

COST OF RENTING

The cost of renting a home in the Clover School District is estimated with data provided by the US Census Bureau. In 2017, the median gross rent (including all utilities and rental insurance) in the District is estimated to be \$900.74. With the US Bureau of Labor Statistics' CPI Calculator, the current cost of renting is estimated to be \$924.46.

COST BURDEN ANALYSIS

The cost burden for affordable housing is measured as the ratio between monthly payments for housing (including property tax, fee, utilities, and insurance) and monthly gross household income. An analysis was conducted for residents that purchase a home and residents that rent a home. A cost burden ratio of 30% is used as the threshold to determine housing affordability in the Clover School District.

Scenario 1: Baseline Conditions

Figure A4 summarizes the cost burden analysis for residents purchasing or renting a median valued home as a weighted district average and also individually in Clover, Lake Wylie, and in unincorporated areas without the proposed school development impact fee included. Based on the weighted district-wide average results, the owner and renter-occupied housing cost burden is below the limit of affordability for households whose income is 80% of the District's median income.

Figure A4. Scenario 1: Cost Burden Analysis without Proposed Impact Fee

Weighted District Average			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,316	\$1,375	25.9%
Renter-Occupied	\$5,316	\$1,088	20.5%
Mobile Home	\$5,316	\$975	18.3%

Clover			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$3,189	\$1,010	31.7%
Renter-Occupied	\$3,189	\$850	26.7%
Mobile Home	\$3,189	\$1,033	32.4%

Lake Wylie			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,243	\$1,666	31.8%
Renter-Occupied	\$5,243	\$1,103	21.0%
Mobile Home	\$5,243	\$958	18.3%

Unincorporated			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,962	\$1,304	21.9%
Renter-Occupied	\$5,962	\$1,146	19.2%
Mobile Home	\$5,962	\$969	16.2%

Scenario 2: Baseline Condition + Proposed Impact Fee

In the second scenario, the proposed school impact fee is included into the cost burden analysis to highlight the effects the fee has on housing affordability. Indicated in Figure A2, owner-occupied housing units are predominately single family and mobile home units and renter-occupied housings is mixed between the three categories (single family, 2 to 4 units, and 5 or more). Since the school impact fee is a

based on housing type, the owner-occupied housing unit will be assessed the fee for single family units (\$15,014) and (\$9,828) for mobile home units accordingly while the renter-occupied housing unit will be assessed the fee for multifamily units (\$7,420). This will be a new fee for residents within the Clover School District.

The analysis takes a conservative approach and assumes the purchase price of the median home is raised by the increase in the impact fee. This ultimately increases the household's mortgage payment and property tax, see Figure A6. For renter-occupied housing units, the analysis assumes that the impact fee increase will be recouped by the landlord through an increase in monthly rent. The fee will be recouped over 30 years, thus increasing the monthly rent by \$20.61.

Listed in Figure A5, the monthly costs for owners and renters increases with the proposed school impact fee. On a weighted district average, the cost burden ratio for owner-occupied single family homes increases by 1.1 percentage points. For mobile homes, the increase is 0.8% and for renter-occupied homes the cost burden ratio increases by 0.4 percentage points. The District average increased monthly cost burden for owner-occupied single family units is estimated at \$60, mobile homes at \$42 and renter-occupied housing units realize a cost burden increase of \$20 which in total is still considered affordable for households with an income of 80% of the median to own or rent in the Clover School District.

Figure A5. Scenario 2: Cost Burden Analysis with Proposed Impact Fee

Weighted District Average			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,316	\$1,435	27.0%
Renter-Occupied	\$5,316	\$1,108	20.8%
Mobile Home	\$5,316	\$1,017	19.1%
Clover			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$3,189	\$1,074	33.7%
Renter-Occupied	\$3,189	\$871	27.3%
Mobile Home	\$3,189	\$1,078	33.8%
Lake Wylie			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,243	\$1,724	32.9%
Renter-Occupied	\$5,243	\$1,124	21.4%
Mobile Home	\$5,243	\$999	19.1%
Unincorporated			
Condition	Monthly Income	Monthly Cost	Cost Burden
Owner-Occupied	\$5,962	\$1,362	22.8%
Renter-Occupied	\$5,962	\$1,166	19.6%
Mobile Home	\$5,962	\$1,010	16.9%

Conclusion

The South Carolina Development Impact Fee Act requires preparation of a report that estimates the effect of imposing development impact fees on affordability of housing in the jurisdiction. To calculate the effect, a household that earns 80% of the median income should have a cost burden ratio of 30% or less for housing. **This analysis has concluded that the proposed adoption of the development impact fee within the Clover School District would not create an additional burden large enough to exceed the cost burden criteria established by the US Housing and Urban Development Department for owner or renter-occupied housing units.** As noted, this analysis takes a conservative approach and applied the highest monthly cost between the three jurisdictions and uses a weighted district average when considering cost burden. Also, it is assumed that proposed impact fees are absorbed entirely by the home occupants. However, in some cases, impact fees result in land values to decrease placing the burden on land owners and not on the future home owners or renters.

Figure A6. Cost of Homeownership

	Monthly Payment Calculation			
	Scenario 1	Scenario 1	Scenario 2	Scenario 2
	Baseline Condition Conventional Home	Baseline Condition Mobile Home	Baseline Condition Conventional Home + Impact Fee	Baseline Condition Mobile Home + Impact Fee
Purchase Price	\$213,396	\$133,000	\$228,410	\$142,828
Down Payment	\$42,679	\$26,600	\$45,682	\$28,566
Loan Amount	\$170,717	\$106,400	\$182,728	\$114,262
Loan Length (Years)	30	30	30	30
Loan Length (Months)	360	360	360	360
Yearly Interest Rate	4.03%	4.03%	4.03%	4.03%
Monthly Interest Rate	0.34%	0.34%	0.34%	0.34%
Monthly Payment	\$818.00	\$509.81	\$866.00	\$547.48
Property Tax - County (per month)	\$60.18	\$37.51	\$64.41	\$40.28
Property Tax - City (per month)	\$83.94	\$52.31	\$89.84	\$56.18
Property Tax - School Debt (per month)	\$17.07	\$10.64	\$18.27	\$11.43
Stormwater Management Fee	\$5.00	\$5.00	\$5.00	\$5.00
Solid Waste Collection Fee	\$20.00	\$20.00	\$20.00	\$20.00
Water, Sewer & Electric Utilities	\$180.09	\$180.09	\$180.09	\$180.09
Telephone, Cable & Internet Utilities	\$144.99	\$144.99	\$144.99	\$144.99
Homeowners Insurance	\$77.50	\$77.50	\$77.50	\$77.50
Monthly Cost	\$1,406.77	\$1,037.85	\$1,466.10	\$1,082.95