



COOPERATIVE
STRATEGIES

COMPLETE FINANCIAL & DEMOGRAPHIC PLANNING FOR EDUCATION

TRACY UNIFIED SCHOOL DISTRICT

**RESIDENTIAL DEVELOPMENT SCHOOL FEE
JUSTIFICATION STUDY**

MARCH 2, 2018

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EXHIBITS

EXHIBIT A:	Current SAB Form 50-02
EXHIBIT B:	Updated School Facilities Capacity Calculation
EXHIBIT C:	Adjusted School Facilities Capacity Calculation
EXHIBIT D:	Updated School Facilities Cost Estimates

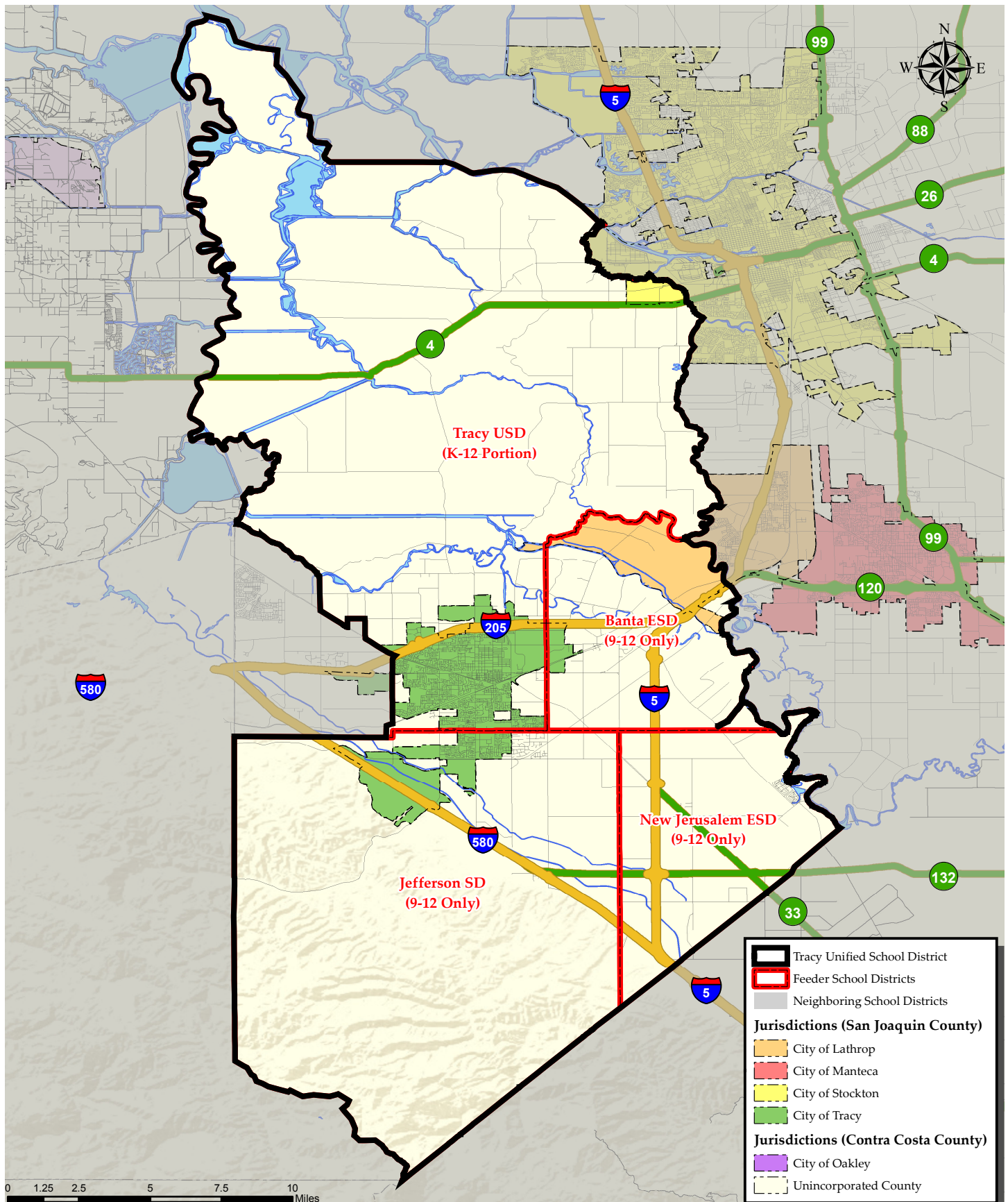
EXECUTIVE SUMMARY

This Residential Development School Fee Justification Study ("Study") is intended to determine the extent to which a nexus can be established in the Tracy Unified School District ("School District") between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of statutory school fees ("School Fees") per residential building square foot that may be levied for schools pursuant to the provisions of Section 17620 of the Education Code, as well as Sections 65995 and 66001 of the Government Code.

The School District provides education to students in grades kindergarten through 12 ("TUSD" or "K-12 Portion") residing within a portion of the cities of Lathrop, Stockton, and Tracy (collectively, "Cities") and a portion of the unincorporated County of San Joaquin ("County"). The School District also provides education for students in grades 9 through 12 residing in the Banta Elementary School District ("BESD"), Jefferson School District ("JSD"), and New Jerusalem Elementary School District ("NJESD") (please see map on following page for a geographic profile of the School District). Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code, of which 6,442 are at the elementary school level (i.e., grades kindergarten through 6), 2,596 are at the middle school level (i.e., grades 7 and 8), and 8,273 are at the high school level (i.e., grades 9 through 12). These capacities include seats from all new school facility construction projects funded by the State of California ("State"), and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 and Exhibit B for an updated school facilities capacity calculation). Based on data provided by the School District, student enrollment is 14,921 in school year 2017/2018. Comparing student enrollment to facilities capacity reveals that student enrollment exceeds facilities capacity at the middle school level while facilities capacity exceeds student enrollment at the elementary school and high levels in school year 2017/2018 (please see Section IV for more information on student enrollment and facilities capacity).

To establish a nexus and a justifiable residential School Fee level, the Study evaluated the number and cost of new facilities required to house students generated from future residential development within the School District. Based on data provided by the San Joaquin Council of Governments ("SJCOG") and the Cities, approximately 21,070 additional residential units could be constructed within the School District's boundaries through calendar year 2035 ("Future Units"). Of these 21,070 Future Units, 14,126 single family detached ("SFD") units and 2,822 multi-family attached ("MFA") units have mitigated their impact on the School District through the execution of a mitigation agreement wherein units pay fees separate of School Fees or alternative school facility fees ("Alternative Fees"). Of the remaining 4,122 Future Units that have not mitigated their impacts on the School District, 1,872 are expected to be SFD units while 2,250 are expected to be MFA units.

TRACY UNIFIED SCHOOL DISTRICT GEOGRAPHIC PROFILE



July 2017

To determine the impact on the School District from non-mitigated Future Units, the Study first multiplied the number of non-mitigated Future Units by the student generation factors ("SGFs") calculated by Cooperative Strategies, to determine the projected student enrollment from non-mitigated Future Units. The results were that 970 unhoused elementary school students, 501 unhoused middle school students, and 727 unhoused high school students are anticipated to be generated from non-mitigated Future Units ("Projected Unhoused Students").

To adequately house the Projected Unhoused Students, the School District will need to construct new elementary school and middle school, and expand existing high school facilities. Using design capacities of 645 students at the elementary school level, 954 students at the middle school level, and 27 students per classroom at the high school level, the School District will need to construct at least two (w) new elementary schools, one (1) new middle school, and 27 new high school classrooms to accommodate the Projected Unhoused Students from the non-mitigated Future Units projected to be constructed at this time. Based on school facility cost estimates prepared by Cooperative Strategies, an elementary school is projected to cost \$26,874,056 and a middle school is projected to cost \$50,979,990. The cost of expanding the high school facilities by adding additional teaching stations is based on per-pupil grant amounts established by Senate Bill ("SB") 50.

In addition to the school facilities cost impacts, the School District will experience Central Administrative and Support Facilities cost impacts. In January 1994, the State Allocation Board ("SAB") approved a policy of four (4) square feet of Central Administrative and Support Facilities per student, which based on School District cost estimates equates to a per-student cost of \$800. Multiplying these costs by the facilities needed and the students generated yielded the total school facilities cost impacts shown in Table ES-1.

Table ES-1
Total School Facilities Cost Impacts (2018\$)

School Level	Cost per Facility/ Teaching Station/ Student	Facilities/ Teaching Stations Required/Students Generated	Total School Facilities Cost Impacts
Elementary School	\$26,874,056	1.5039	\$40,415,893
Middle School	\$50,979,990	0.5252	\$26,774,691
Central Admin. Impacts	\$800	1,471	\$1,176,800
Total	N/A	N/A	\$68,367,384
High School	\$855,252	26.9259	\$23,028,430
Central Admin. Impacts	\$800	727	\$581,600
Total	N/A	N/A	\$23,610,030

The amounts listed in Table ES-1 were apportioned to each land use class based on the number of students generated from such residential land use. Thereafter, the school facilities cost impacts for each land use class were divided by the number of non-mitigated Future Units to calculate the school facilities cost impacts per residential unit. Table ES-2 below lists the school facilities cost impacts per residential unit.

Table ES-2
School Facilities Cost Impacts per Residential Unit (2018\$)

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost Impacts per Residential Unit
K-8 Impacts of SFD Units	\$36,229,912	1,872	\$19,354
K-8 Impacts of MFA Units	\$32,137,472	2,250	\$14,283
9-12 Impacts of SFD Units	\$14,679,138	1,872	\$7,841
9-12 Impacts of MFA Units	\$8,930,892	2,250	\$3,969

To determine the school facilities cost impacts per square foot of residential construction, the school facilities cost impacts per unit were divided by the average square footage of a residential unit in each land use class. Table ES-3 lists the school facilities cost impacts per average residential square foot.

Table ES-3
School Facilities Cost Impacts per Residential Square Foot (2018\$)

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
K-8 Impacts of SFD Units	\$19,354	2,350	\$8.24
K-8 Impacts of MFA Units	\$14,283	1,349	\$10.59
9-12 Impacts of SFD Units	\$7,841	2,350	\$3.34
9-12 Impacts of MFA Units	\$3,969	1,349	\$2.94

The school facilities cost impacts identified in Table ES-3 must be summed in order to calculate the total school facilities cost impacts for the K-12 Portion of the School District. Table ES-4 identifies the total school facilities cost impacts within TUSD, while Table ES-5 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

Table ES-4
Total School Facilities Cost Impacts within TUSD
per Residential Square Foot (2018\$)

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	\$8.24	\$3.34	\$11.58
MFA Units	\$10.59	\$2.94	\$13.53

Table ES-5
Total School Facilities Cost Impacts within BESD, JSD, and NJESD
per Residential Square Foot (2018\$)

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	N/A	\$3.34	\$3.34
MFA Units	N/A	\$2.94	\$2.94

On January 24, 2018, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from \$3.48 to \$3.79 per residential building square foot for unified school districts. As shown in Table ES-4, based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$3.79 per square foot for all new non-mitigated residential development within its boundaries.

Based on the School District's fee sharing agreements with the BESD, JSD, and NJESD, the School District can collect up to 25 percent, or \$0.95 per square foot, for all new non-mitigated Future Units built within the portion of the School District served by BESD, JSD, and NJESD. As shown Table ES-5, the School District's share of the current maximum School Fee is less than the school facilities cost impacts per square foot. Therefore, the School District is fully justified in levying \$0.95 per square foot for all new non-mitigated residential development within the portion of the School District served by BESD, JSD, and NJESD, which represents its portion of the maximum residential School Fee.

I. INTRODUCTION

SB 50, which Governor Wilson signed on August 27, 1998, was enacted on November 4, 1998, following the approval of Proposition 1A by the voters of the State in the general election on November 3, 1998. SB 50 includes provisions for the following:

1. Issuance of State general obligation bonds in an amount not to exceed \$9.2 billion;
2. Reformation of the State School Building Program; and
3. Reformation of the School Fee mitigation payment collection procedure.

Additionally, Assembly Bill ("AB") 16, which Governor Davis signed on April 26, 2002, was enacted following the approval of Proposition 47 ("Prop 47") by the voters of the State in the general election on November 5, 2002. Prop 47 includes the authorization for issuance of State general obligation bonds in the amount of \$13.05 billion, and AB 16 provides for additional reformation of the State School Building Program into the School Facilities Program. On March 2, 2004, the voters of the State approved Proposition 55 ("Prop 55"). Prop 55 includes the authorization for the additional issuance of State general obligation bonds in the amount of \$12.3 billion. Finally AB 127, which Governor Schwarzenegger signed on May 20, 2006, was enacted following the approval of Proposition 1D ("Prop 1D") by the voters of the State in the general election of November 7, 2006. Prop 1D includes the authorization for the issuance of State general obligation bonds in the amount of \$10.4 billion.

The Mira-Hart-Murrieta Decisions, which formerly permitted school districts to collect mitigation payments in excess of School Fees under certain circumstances, are suspended by AB 127. In lieu of the powers granted by the Mira-Hart-Murrieta Decisions, SB 50 and subsequent legislation provide school districts with a reformed School Fee collection procedure that, subject to certain conditions, authorizes school districts to collect Alternative Fees on residential developments. However, not all school districts will qualify to charge Alternative Fees, and Alternative Fees are generally not imposed upon residential units that have existing agreements with a school district.

Therefore, school districts must still rely on School Fees as a funding source for school facilities required by new development. However, before a school district can levy School Fees on new development, State law requires that certain nexus findings must be made and documented. The objective of this Study is to provide a rigorous basis for such findings.

II. LEGISLATION

State legislation, specifically AB 2926 and AB 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation are summarized below:

A. AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for commercial/industrial development must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development."
3. School Fees for 1987 were limited to \$1.50 per square foot on new residential construction and \$0.25 per square foot for new commercial/industrial construction.
4. Every year, School Fees are subject to annual increases based on the Statewide cost index for Class B construction, as determined by the SAB at its January meeting (This provision was changed to every other year by AB181).

The provisions of AB 2926 have since been expanded and revised by AB 1600.

B. AB 1600

AB 1600, which created Sections 66000 et seq. of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the School District's accounts five or more years after it was collected.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of *Shapell Industries vs. Milpitas Unified School District*.) The Study will provide information necessary to establish such a nexus between School Fees and residential development.

III. METHODOLOGY OF STUDY

The School District is projecting an increase in student enrollment attributable to new residential development in future years. This projected growth will create a demand for new school facilities to be constructed within the School District and the need to incur significant school facilities costs to meet that demand. As a result, the School District has determined that School Fees should be levied on new development projects. In particular, the School District has determined that School Fees must be levied on new residential projects, if findings can be made that such projects will lead to higher student enrollment and increased facilities costs. The objective of the Study is to provide a basis for such findings consistent with the requirements of AB 2926, AB 1600, and the provisions of Section 66001 of the Government Code.

A. Overview of Methodology

In order to evaluate the existence of a nexus, the Study identifies and analyzes the various connections or linkages between residential development and (i) the need for school facilities, (ii) the cost of school facilities, and (iii) the amount of School Fees that can justifiably be levied. The primary linkages identified include the following:

1. Housing projections (i.e., the projected number of residential units to be constructed within the School District);
2. Student generation (i.e., the number of students generated from a residential unit within the School District);
3. Facility requirements (i.e., the number of new school facilities required to house students generated from new residential units);
4. School facilities cost impacts (i.e., the costs to the School District associated with the construction of new school facilities); and
5. School Fee requirements (i.e., the School District's need to levy School Fees to cover the cost of new school facilities).

The above linkages result in a series of impacts which (i) connect new residential development with increased school facilities costs and (ii) connect School Fees per residential building square foot with increased facilities costs. These impacts are identified for two (2) residential land uses; SFD units and MFA units (e.g., condominiums, apartments, townhomes, duplexes, etc.). These "linkage impacts" include four (4) major types:

1. Residential Unit Projections
2. Student Generation Factors
3. School Facilities Cost Impacts
4. Maximum School Fee Revenues

B. Residential Unit Projections

The number of Future Units to be constructed within the boundaries of the School District was determined based on information provided by SJCOG and the planning departments of the Cities.

C. Student Generation Factors

SGFs by school level (e.g., elementary school, middle school, and high school) for each of the residential land use categories were calculated by Cooperative Strategies. Cooperative Strategies calculated SGFs for the School District through an analysis which consisted of cross-referencing the School District's actual enrollment data against residential data from the Office of the Assessor for the County ("County Assessor").

D. School Facilities Cost Impacts

School facilities cost impacts were calculated by determining the additional elementary school, middle school, and high school facilities needed to adequately house students generated from Future Units and the total cost for those school facilities. School facilities costs are based on estimates prepared by Cooperative Strategies and are attached and incorporated herein as Exhibit C.

E. Maximum School Fee Revenues

Maximum School Fee revenues for residential development were based on the current maximum residential School Fee authorized by the SAB (currently \$3.79 per square foot) under AB 2926.

Based on the current fee sharing arrangement of the School District with BESD, JSD, and NJESD, the School District may collect up to 25 percent of the current maximum School Fee or \$0.95 per square foot of new residential construction within the portion of the School District served by BESD, JSD, and NJESD.

F. Comparison of School Facilities Cost Impacts and Maximum School Fee Revenues

If school facilities cost impacts per residential square foot are greater than maximum School Fee revenues, then the levy of the maximum residential School Fee is justified to cover as much of school facilities cost impacts per residential square foot as possible. Should school facilities cost impacts per residential square foot be less than maximum School Fee revenues, then only a School Fee equivalent to the school facilities cost impacts per residential square foot can be justified to cover facilities needs generated by future residential development. Under this latter circumstance, the School District would not be justified in imposing the maximum residential School Fee per square foot.

IV. FACILITIES CAPACITY AND STUDENT ENROLLMENT

In order to determine whether the School District's existing school facilities contain excess capacity to house students generated by new residential development, school year 2017/2018 student enrollment and school facilities capacity of the School District were evaluated.

Collectively, the School District's school facilities in school year 2017/2018 have a capacity of 17,311 students per Section 17071.10(a) of the Education Code. This capacity includes seats from all new school facility construction projects funded by the State and teaching stations purchased by the School District without State funding (see Exhibit A for SAB Form 50-02 and Exhibit B for an updated school facilities capacity calculation). Of these 17,311 existing seats, 6,442 are at the elementary school level, 2,596 are at the middle school level, and 8,273 are at the high school level. (The school level configuration of the School District has been altered to be consistent with the SAB Form 50-02.) The enrollment of the School District in school year 2017/2018 is 14,921 students. As shown in Table 1 below, the School District's student enrollment exceeds facilities capacity at the middle school level while the facilities capacity exceeds student enrollment at the elementary school and high school levels in school year 2017/2018.

Table 1
Existing School Facilities Capacity and Student Enrollment

School Level^[1]	2017/2018 Facilities Capacity^[2]	2017/2018 Student Enrollment^[3]	Excess/ (Shortage) Capacity
Elementary School (Grades K-6)	6,442	5,919	523
Middle School (Grades 7-8)	2,596	3,214	(618)
High School (Grades 9-12)	8,273	5,788	2,485
Total	17,311	14,921	2,390

[1] The School District's school level configuration has been altered to be consistent with SAB Form 50-02.

[2] SAB Form 50-02 (Exhibit A) plus additional State funded capacity and teaching stations purchased by the School District (Exhibit B).

[3] 2017/2018 student enrollment provided by the School District.

The capacities identified in Table 1 include capacity associated with relocatable classrooms that have exceed the 20-year useful life of such classroom types. Because these teaching stations have exceeded their useful life, the Study incorporates an adjusted school facilities capacity calculation which excludes these relocatable classrooms. Based on this calculation, it has been determined that the elementary school capacity consists of 4,014 seats (grades K-5), the middle school capacity consists of 2,390 seats (grades 6-8), and the high school capacity consists of 6,183 seats (see Exhibit C for the adjusted school facilities capacity calculation). As shown in Table 2, student enrollment exceeds the adjusted school facilities capacity at the elementary school and middle school levels while the adjusted school facilities capacity exceeds student enrollment at the high school level.

Table 2
Adjusted School Facilities Capacity and Student Enrollment

School Level	2017/2018 Facilities Capacity^[1]	2017/2018 Student Enrollment^[2]	Excess/ (Shortage) Capacity
Elementary School (Grades K-5)	4,014	5,919	(1,905)
Middle School (Grades 6-8)	2,390	3,214	(824)
High School (Grades 9-12)	6,183	5,788	395
Total	12,587	14,921	(2,334)
<i>[1] See Exhibit C for the Adjusted School Facilities Capacity Calculation.</i>			
<i>[2] 2017/2018 student enrollment provided by the School District.</i>			

As indicated in Table 1, 395 high school seats are available to house students generated from Future Units.

V. IMPACT OF RESIDENTIAL DEVELOPMENT ON SCHOOL FACILITIES NEEDS

As discussed in Section III, the objective of the Study is to determine the appropriateness of the imposition of a School Fee on residential property to finance school facilities necessitated by students to be generated from new residential development. Section III outlined the methodology which was employed in the Study to meet that objective. Section V is a step-by-step presentation of the results of the analysis.

A. Projected Residential Development within the School District

The initial step in developing a nexus as required by AB 2926 and AB 1600 is to determine the number of Future Units to be constructed within the School District's boundaries. Based on information provided by SJCOG and the Cities, Cooperative Strategies has estimated that the School District could experience the construction of approximately 21,070 Future Units through calendar year 2035. Of these 21,070 Future Units, 14,126 SFD units and 2,822 MFA units have already mitigated their impacts on the School District through the execution of a mitigation agreement wherein such units pay fees separate from School Fees and Alternative Fees. Of the remaining 4,122 Future Units that have not mitigated their impacts on the School District, 1,872 are expected to be SFD units while 2,250 are expected to be MFA units. Table 3 distinguishes between mitigated and non-mitigated Future Units by land use.

Table 3
Future Units

Land Use	Mitigated Future Units	Non-Mitigated Future Units	Total Future Units
SFD Units within TUSD ^[1]	218	1,872	2,090
MFA Units within TUSD ^[1]	18	2,250	2,268
Total Units within TUSD	236	4,122	4,358
Total SFD Units ^[2]	14,126	1,872	15,998
Total MFA Units ^[2]	2,822	2,250	5,072
Total Units	16,948	4,122	21,070
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			

B. Reconstruction

Reconstruction is the act of replacing existing structures with new construction, which may have an alternative land use (i.e., commercial/industrial versus residential) or may consist of different residential unit types (i.e., SFD vs. MFA, etc.).

B1. Residential Reconstruction

Residential Reconstruction consists of voluntarily demolishing existing residential units and replacing them with new residential development. To the extent Reconstruction increases the residential square footage beyond what was demolished ("New Square Footage"), the increase in square footage is subject to the applicable School Fee as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage ("Replacement Square Footage"), the determination of the applicable fee, if any, is subject to a showing that the Replacement Square Footage results in an increase in student enrollment and, therefore, an additional impact being placed on the School District to provide school facilities for new student enrollment.

Prior to the imposition of fees on Replacement Square Footage, the School District shall undertake an analysis on any future proposed projects(s) to examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in SGFs as identified in the Study for the applicable unit types between existing square footage and Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

B2. Reconstruction of Commercial/Industrial Construction into Residential Construction

The voluntary demolition of existing commercial/industrial buildings and replacement of them with new residential development is a different category of Reconstruction. Cooperative Strategies is aware that such types of Reconstruction may occur within the School District in the future, however, Cooperative Strategies was unable to find information (i) about the amount planned within the School District in the future or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the School District has decided to evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

C. Student Generation Factors per Residential Unit

In order to analyze the impact on the School District's student enrollment from non-mitigated Future Units, Cooperative Strategies calculated SGFs for SFD and MFA units. The process of determining SGFs involved cross-referencing the School District's enrollment data against the County Assessor(s) residential data.

Sorting and extracting the County Assessor(s) records by land use, Cooperative Strategies developed a database of 25,066 SFD units, of which 20,210 are located within the K-12 Portion of the School District. This database was then compared with the School District's student enrollment database to identify address matches. Upon comparison of the two (2) databases, 13,668 student matches were found, resulting in the SGFs shown in Table 4.

Table 4
Student Generation Factors for Single Family Detached Units

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School (Grades K-6) ^[1]	5,157	20,210	0.2552
Middle School (Grades 7-8) ^[1]	2,770	20,210	0.1371
High School (Grades 9-12) ^[2]	5,741	25,066	0.2290
Total	13,668	N/A	0.6213

[1] K-12 portion of the School District only.

[2] Area served by the entire School District.

A procedure identical to the one used in calculating the SGFs for SFD units was used to determine SGFs for MFA units. A total of 1,759 students matched to the MFA database which consisted of 4,453 units, of which 4,272 are located within the K-12 Portion of the School District. The resulting SGFs for MFA units are shown in Table 5 below.

Table 5
Student Generation Factors for Multi-family Attached Units

School Level	Students Matched	Multi-family Attached Units	Student Generation Factors
Elementary School (Grades K-6) ^[1]	829	4,272	0.1941
Middle School (Grades 7-8) ^[1]	414	4,272	0.0969
High School (Grades 9-12) ^[2]	516	4,453	0.1159
Total	1,759	N/A	0.4069
<i>[1] K-12 portion of the School District only.</i>			
<i>[2] Area served by the entire School District.</i>			

However, due to incomplete and incorrect address information in both the student enrollment and residential databases, Cooperative Strategies was unable to match all of the School District's students. The results are SGFs that understate the number of students generated by SFD and MFA units. After accounting for incoming interdistrict students that reside outside of the School District's boundaries, there were 895 unmatched students. Therefore, Cooperative Strategies adjusted the SGFs listed in Tables 4 and 5 based on a rate which considers the number of students successfully matched to a school level and land use. The adjusted SGFs for each land use by school level are shown in Table 6.

Table 6
Adjusted Student Generation Factors

School Level	Single Family Detached Units	Multi-family Attached Units
Elementary School	0.2707	0.2058
Middle School	0.1446	0.1023
High School	0.2415	0.1222
Total	0.6568	0.4303

D. School District Facilities Requirements

By multiplying the non-mitigated Future Units as listed in Table 3 by the SGFs identified in Table 6, the Study determined the projected number of new students to be generated from non-mitigated Future Units. The Projected Student Enrollment by school level is shown in Table 7.

Table 7
Projected Student Enrollment from Future Units

School Level	Projected Student Enrollment from Mitigated Future Units	Projected Student Enrollment from Non-Mitigated Future Units	Projected Student Enrollment from Future Units
Elementary School	63	970	1,033
Middle School	34	501	535
High School	3,756	727	4,483
Total	3,853	2,198	6,051

As indicated in Section IV, 395 surplus high school seats are available to accommodate the Projected Student Enrollment. As shown above in Table 7, mitigated Future Units are projected to generate 3,756 high school students. These surplus seats must be reserved for students generated from these mitigated homes. Therefore, with no surplus seats available to offset the impact of high school students generated from non-mitigated Future Units, the Projected Student Enrollment is the same as the Projected Unhoused Students. Table 8 below shows the Projected Unhoused Students from non-mitigated Future Units by unity type and school level.

Table 8
Projected Student Enrollment from Future Units

School Level	Projected Student Enrollment from Non-Mitigated Future SFD Units	Projected Student Enrollment from Non-Mitigated Future MFA Units	Projected Unhoused Students from Non-Mitigated Future Units
Elementary School	507	463	970
Middle School	271	230	501
High School	452	275	727
Total	1,230	968	2,198

To determine the number of elementary school, middle school, and high school facilities necessary to adequately house the Projected Unhoused Students, Cooperative Strategies divided the Projected Unhoused Students by the estimated school facilities capacity at each school level, as provided by the School District. The additional school facilities requirements are identified in Table 9.

Table 9
Additional School Facilities for Projected Unhoused Students

School Level	Projected Unhoused Students	Estimated Facilities/ Teaching Station Capacity	Additional Facilities/ Teaching Stations Needed
Elementary School	970	645	1.5039
Middle School	501	954	0.5252
High School	727	27	26.9259

E. School District Facilities Costs

School facilities cost estimates at the elementary school and middle school levels were prepared by Cooperative Strategies. These school facilities costs represent the full cost of site acquisition, site development, construction, furniture and equipment, as well as technology. The cost of expanding the existing high school school facilities by adding additional teaching stations is based on per-pupil grant amounts established by SB 50. It must be noted that the facilities costs are in 2018 dollars and do not include interest costs associated with debt incurred to finance the construction of facilities. The estimated site acquisition and facility construction costs by school level are shown in Table 10 while the costs for each component of the school facilities construction are listed in Exhibit C.

Table 10
Estimated School Facilities Costs (2018\$)

School Level	Site Acquisition Costs	Facility Construction Costs	Estimated Total Cost per Facility OR Teaching Station
Elementary School	\$5,301,030	\$21,573,026	\$26,874,056
Middle School	\$7,456,110	\$43,523,880	\$50,979,990
High School	N/A	\$855,252	\$855,252

The costs in Table 10 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 8, non-mitigated Future Units will cause the enrollment of the School District to increase by approximately 2,198 students. In accordance with the Provisions of Chapter 341, Statutes of 1992, SB 1612, the SAB adopted a report on January 26, 1994, requiring approximately four (4) square feet of central administrative and support facilities for every student. Based on this report and the estimated cost per square foot to construct and furnish these types of facilities, the Study incorporates a Central Administrative and Support Facilities cost impact of \$800 per student.

F. Total School Facilities Cost Impacts

To determine the total school facilities cost impacts caused by non-mitigated Future Units, Cooperative Strategies (i) multiplied the school facilities costs (Table 10) by the additional school facilities needed (Table 98) and (ii) multiplied the central administrative and support facilities costs per student (above paragraph) by the Projected Unhoused Students (Table 8). Table 11 illustrates the total school facilities cost impacts from non-mitigated future residential development.

Table 11
Total School Facilities Cost Impacts from Non-Mitigated Future Units (2018\$)

Item	Cost per Facility/ Teaching Station/ Student	Facilities/ Teaching Stations Required/Students Generated	Total School Facilities Cost Impacts
Elementary School ^[1]	\$26,874,056	1.5039	\$40,415,893
Middle School ^[1]	\$50,979,990	0.5252	\$26,774,691
Central Admin. Impacts	\$800	1,471	\$1,176,800
Total	N/A	N/A	\$68,367,384
High School ^[2]	\$855,252	26.9259	\$23,028,430
Central Admin. Impacts	\$800	727	\$581,600
Total	N/A	N/A	\$23,610,030

[1] K-12 portion of the School District only.

[2] Area served by the entire School District.

G. School Facilities Cost Impacts per Residential Unit

To determine the total school facilities cost impacts per non-mitigated future residential unit, the total school facilities cost impacts listed above need to first be apportioned by land use based on the number of elementary school, middle school, and high school students to be generated from such land use. Table 12 shows total school facilities cost impacts by land use.

Table 12
Total School Facilities Cost Impacts by Land Use (2018\$)

School Level	Single Family Detached Units	Multi-family Attached Units	Total School Facilities Cost Impacts
Elementary School ^[1]	\$21,530,196	\$19,661,697	\$41,191,893
Middle School ^[1]	\$14,699,717	\$12,475,774	\$27,175,491
Total	\$36,229,912	\$32,137,472	\$68,367,384
High School ^[2]	\$14,679,138	\$8,930,892	\$23,610,030
Total	\$14,679,138	\$8,930,892	\$23,610,030

[1] K-12 portion of the School District only.
[2] Area served by the entire School District.

Total school facilities cost impacts for each land use were then divided by the number of non-mitigated Future Units in such land use to determine school facilities cost impacts per SFD unit and MFA unit. These impacts are shown in Table 13.

Table 13
School Facilities Cost Impacts per Non-Mitigated Future Unit (2018\$)

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost Impacts per Residential Unit
K-8 Impacts of SFD Units	\$36,229,912	1,872	\$19,354
K-8 Impacts of MFA Units	\$32,137,472	2,250	\$14,283
9-12 Impacts of SFD Units	\$14,679,138	1,872	\$7,841
9-12 Impacts of MFA Units	\$8,930,892	2,250	\$3,969

H. School Facilities Cost Impacts per Square Foot

To determine the school facilities cost impacts per square foot of residential construction for each land use, the school facilities cost impacts per unit listed in Table 13 were divided by the average square footage of such type of residential unit. Using information obtained from the Cities, Cooperative Strategies estimates that the average square footage of an SFD unit in the School District is projected to be 2,350 square feet while the average square footage of an MFA unit is projected to be 1,349 square feet. Table 14 shows the school facilities cost impacts per square foot of residential construction in the School District.

Table 14
School Facilities Cost Impacts per Residential Square Foot (2018\$)

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
K-8 Impacts of SFD Units	\$19,354	2,350	\$8.24
K-8 Impacts of MFA Units	\$14,283	1,349	\$10.59
9-12 Impacts of SFD Units	\$7,841	2,350	\$3.34
9-12 Impacts of MFA Units	\$3,969	1,349	\$2.94

The school facilities cost impacts identified in Table 14 must be summed in order to calculate the total school facilities cost impacts for the K-12 Portion of the School District. Table 15 identifies the total school facilities cost impacts within TUSD, while Table 16 identifies the total school facilities cost impacts within BESD, JSD, and NJESD.

Table 15
Total School Facilities Cost Impacts within TUSD
per Residential Square Foot (2018\$)

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	\$8.24	\$3.34	\$11.58
MFA Units	\$10.59	\$2.94	\$13.53

Table 16
Total School Facilities Cost Impacts within BESD, JSD, and NJESD
per Residential Square Foot (2018\$)

Land Use	K-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	K-8 School Facilities Cost Impacts per Square Foot
SFD Units	N/A	\$3.34	\$3.34
MFA Units	N/A	\$2.94	\$2.94

I. Comparison of School Facilities Cost Impacts and School Fee Revenues per Residential Square Foot

On January 24, 2018, the SAB increased the maximum residential School Fee authorized by Section 17620 of the Education Code from \$3.48 to \$3.79 per residential building square foot for unified school districts. As shown in Table 15, based on the square footage of the average residential unit constructed within the School District, the School Fees would provide for less than 100 percent of the school facilities cost impacts. Therefore, the Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$3.79 per square foot for all new non-mitigated residential development within its boundaries.

Based on the School District's fee sharing agreements with the BESD, JSD, and NJESD, the School District can collect up to 25 percent, or \$0.95 per square foot, for all new non-mitigated Future Units built within the portion of the School District served by BESD, JSD, and NJESD. As shown Table 16, the School District's share of the current maximum School Fee is less than the school facilities cost impacts per square foot. Therefore, the School District is fully justified in levying \$0.95 per square foot for all new non-mitigated residential development within the portion of the School District served by BESD, JSD, and NJESD, which represents its portion of the maximum residential School Fee.

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EXHIBIT A

Current SAB Form 50-02

EXISTING SCHOOL BUILDING CAPACITY

SAB 50-02 (Rev. 01/01) Excel (Rev. 01/25/2001)

SCHOOL DISTRICT

TRACY JOINT UNIFIED

COUNTY

SAN JOAQUIN

FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory)

75499

HIGH SCHOOL ATTENDANCE AREA (if applicable)

PART I - Classroom Inventory ☐ NEW ☐ ADJUSTED

	K-6	7-8	9-12	Non-Severe	Severe	Total
Line 1. Leased State Relocatable Classrooms						
Line 2. Portable Classrooms leased less than 5 years	11	3				14
Line 3. Interim Housing Portables leased less than 5 years	1					1
Line 4. Interim Housing Portables leased at least 5 years						
Line 5. Portable Classrooms leased at least 5 years	9	5				14
Line 6. Portable Classrooms owned by district	46	23	49			118
Line 7. Permanent Classrooms	115	51	91	13	3	273
Line 8. Total (Lines 1 through 7)	182	82	140	13	3	420

PART II - Available Classrooms

Option A

a. Part I, line 4

b. Part I, line 5

c. Part I, line 6

d. Part I, line 7

e. Total (a, b, c, & d)

	K-6	7-8	9-12	Non-Severe	Severe	Total
	9	5				14
	46	23	49			118
	115	51	91	13	3	273
	170	79	140	13	3	405

Option B

a. Part I, line 8

b. Part I, lines 1,2,5 and 6 (total only)

c. 25 percent of Part I, line 7 (total only)

d. Subtract c from b (enter 0 if negative)

e. Total (a minus d)

	K-6	7-8	9-12	Non-Severe	Severe	Total
	182	82	140	13	3	420
						146
						69
	35	16	26			77
	147	66	114	13	3	343

PART III - Determination of Existing School Building Capacity

	K-6	7-8	9-12	Non-Severe	Severe
Line 1. Classroom capacity	3,575	1,782	3,078	169	27
Line 2. SER adjustment	221			4	1
Line 3. Operational Grants					
Line 4. Greater of line 2 or 3	221			4	1
Line 5. Total of lines 1 and 4	3,896	1,782	3,078	173	28

I certify, as the District Representative, that the information reported on this form is true and correct and that:

I am designated as an authorized district representative by the governing board of the district; and,

This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction (OPSC).

In the event a conflict should exist, then the language in the OPSC form will prevail.

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

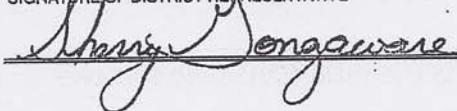
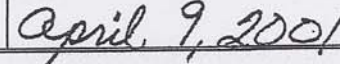



EXHIBIT B

Updated School Facilities Capacity Calculation

Tracy Unified School District
School Facilities Capacity Calculation

Application	Item	Elementary School	Middle School	High School
N/A	SAB Form 50-02	3,896	1,782	3,078
N/A	Non-Severe/Severe Capacity	108	31	62
50/75499-00-001	Villalovoz (Louis J.) Elementary	125	0	0
50/75499-00-002	Poet-Christian (Gladys) Elementary	75	0	0
50/75499-00-003	West High	0	0	729
50/75499-00-004	Freiler Elementary Site	1,025	0	0
50/75499-00-005	Williams (Earle E.) Middle	313	270	0
50/75499-00-006	South/West Park Elementary	375	0	0
50/75499-00-007	Duncan Russell Chs Annex	0	0	219
50/75499-00-009	West High	0	0	486
50/75499-00-010	George Kelly Elementary	525	189	0
50/75499-00-011	North Elementary	0	297	0
50/75499-00-012	Tracy High	0	0	27
50/75499-00-013	West High	0	0	27
50/75499-00-014	Tracy High	0	0	27
50/75499-00-015	West High	0	0	54
50/75499-00-016	Williams (Earle E.) Middle	0	27	0
50/75499-00-017	Tracy High	0	0	891
50/75499-00-018	Kimball High	0	0	2,133
50/75499-00-019	West High	0	0	81
50/75499-00-020	Tracy High	0	0	459
Total Capacity	N/A	6,442	2,596	8,273

EXHIBIT C

Adjusted School Facilities Capacity Calculation

Tracy Unified School District

Adjusted School Facilities Capacity

School Year 2017/2018

School	Grade Level	Total Capacity
Louis A. Bohn ES	K-5	307
Central ES	K-5	525
Wanda Hirsch ES	K-5	180
Melville S. Jacobson ES	K-5	327
McKinley ES	K-5	201
South West Park ES	K-5	384
Louis J. Vaillalovoz ES	K-5	351
Art Freiler	K-8	470
George Kelly	K-8	608
Gladys Poet Christian	K-8	147
North	K-8	514
K-5 Total	N/A	4,014
Art Freiler	K-8	235
George Kelly	K-8	304
Gladys Poet Christian	K-8	73
North	K-8	257
Monte Vista MS	6-8	867
Earl E. Williams MS	6-8	654
6-8 Total	N/A	2,390
Kimball HS	9-12	2,068
Merrill F. West HS	9-12	1,872
Tracy HS	9-12	2,159
Willow/Duncan Russell	9-12	0
IGCG	9-12	0
Stein	9-12	84
9-12 Total	N/A	6,183
Total	N/A	12,587

EXHIBIT D

Updated School Facilities Cost Estimates

TRACY UNIFIED SCHOOL DISTRICT**Summary of Estimated Costs****Elementary School****February 2018**

A. Site			\$5,301,030
	Purchase Price of Property	\$5,261,030	
	Acres ^[1] :	11.8	
	Cost/Acre:	\$445,850	
	EIR	\$20,000	
	Appraisals	\$10,000	
	Surveys	\$5,000	
	Escrow/Title	\$5,000	
	[1] Assumes Net Usable Acres		
B. Plans			\$1,227,234
	Architect's Fee	\$1,094,531	
	Preliminary Tests	\$20,000	
	DSA/SDE Plan Check	\$92,703	
	Energy Fee Analysis	\$15,000	
	Other	\$5,000	
C. Construction			\$18,140,625
	(Includes Construction, Site Development, General Site Development, and Technology)		
	Square Feet / Student	75	
	Cost / Square Feet	\$375	
D. Tests			\$50,000
E. Inspection			\$144,000
	(\$12,000 per month for 12 months)		
F. Furniture and Equipment			\$401,513
	(\$5 per Square Foot, includes Cost Index Adjustment of 66%)		
G. Contingency			\$380,966
	(\$2000 + 1.5% of items A-F)		
H. Items Not Funded by the State			\$1,228,688
	Technology (5% of Construction)	\$907,031	
	Library Books (8 books/student @ \$15)	\$77,400	
	Landscaping (\$0.44/sq. ft x 11.8 acres)	\$226,164	
	Landscape Architect Fees (8% of Landscaping)	\$18,093	
I. Total Estimated Cost			\$26,874,056

Summary	
School Facilities Capacity - Traditional Calendar	645
School Facilities Cost per Student - Traditional Calendar	\$41,665

TRACY UNIFIED SCHOOL DISTRICT**Summary of Estimated Costs****Middle School****February 2018**

A. Site			\$7,456,110
	Purchase Price of Property	\$7,401,110	
	Acres ^[1] :	16.6	
	Cost/Acre:	\$445,850	
	EIR	\$25,000	
	Appraisals	\$12,000	
	Surveys	\$8,000	
	Escrow/Title	\$10,000	
	[1] Assumes Net Usable Acres		
B. Plans			\$2,287,095
	Architect's Fee	\$2,023,950	
	Preliminary Tests	\$45,000	
	DSA/SDE Plan Check	\$185,645	
	Energy Fee Analysis	\$25,000	
	Other	\$7,500	
C. Construction			\$36,729,000
	(Includes Construction, Site Development, General Site Development, and Technology)		
	Square Feet / Student	100	
	Cost / Square Feet	\$385	
D. Tests			\$180,000
E. Inspection			\$324,000
	(\$12,000 per month for 18 months x 1.5 inspectors)		
F. Furniture and Equipment			\$950,184
	(\$6 per Square Foot, includes Cost Index Adjustment of 66%)		
G. Contingency			\$720,896
	(\$2000 + 1.5% of items A-F)		
H. Items Not Funded by the State			\$2,332,705
	Technology (5% of Construction)	\$1,836,450	
	Library Books (8 books/student @ \$20)	\$152,640	
	Landscaping (\$0.44/sq. ft. x 16.6 acres)	\$318,162	
	Landscape Architect Fees (8% of Landscaping)	\$25,453	
I. Total Estimated Cost			\$50,979,990

Summary	
School Facilities Capacity - Traditional Calendar	954
School Facilities Cost per Student - Traditional Calendar	\$53,438