



2022 DEVELOPMENT FEE JUSTIFICATION STUDY

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PREPARED FOR:

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EXECUTIVE SUMMARY

Education Code Section 17620 authorizes the governing board of a school district to levy school fees to offset the impacts to school facilities from new residential and commercial/industrial construction and reconstruction. In order to levy Level I fees (statutory fees), a school district must prepare and adopt a school fee justification study pursuant to the provisions of Education Code Section 17620 and Sections 65995 and 66001 of the Government Code. The school fee justification study serves as the basis for justifying the levy of Level I fees and presents and documents the nexus findings required by State law.

This School Fee Justification Study (“Study”) has been prepared for the Romoland School District (“School District”) to demonstrate the relationship between new residential and commercial/industrial development and the School District’s need for the construction of school facilities, including the estimated cost of the school facilities, and the justification of the Level I fees per square foot (“School Fees”) that may be levied by the School District on residential and commercial/industrial development in accordance with applicable law.

The State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years. In 2022 the SAB postponed the increase to February due to the pandemic. The SAB increased the Level I fee on February 23, 2022 and the maximum School Fees authorized by Education Code Section 17620 are currently \$4.79 per square foot for residential construction/reconstruction and \$0.78 per square foot for commercial/industrial construction.

The School District provides education for grades transitional kindergarten (TK) through 8. Pursuant to Education Code Section 17623(a), the School District, as a non-unified school district sharing common jurisdiction with other non-unified school district(s), entered into a school facilities fee allocation agreement with Perris Union High School District (“PUHSD”). The agreement specifies the allocation of maximum School Fees that may be levied and collected by each school district. According to the agreement, seventy-two percent (72%) of the maximum School Fees may be charged and collected by the School District, or \$3.45 and \$0.56 per square foot for new residential and commercial/industrial development, respectively (“Applicable School Fees”). The School District currently collects Level I school fees in the amount of \$2.94 per square foot for residential construction/reconstruction and up to \$0.49 per square foot for commercial/industrial construction. The levy of such Level I school fees were justified by the findings presented in the Developer Fee Justification Study prepared for the School District and dated March 10, 2020 (“2020 Fee Study”).

Based on the findings presented in this Study, the School District is justified in collecting its portion of the maximum authorized School Fees. The findings are summarized below.

RESIDENTIAL DEVELOPMENT

New residential development in the School District is projected over the next ten (10) years. Based on historical student generation rates, residential development that is not currently subject to alternative mitigation, such as a community facilities district, could generate an estimated 1,396 new students over the next ten (10) years. The estimated school facilities cost impact per residential square foot to house students as a result of new residential development as determined in this Study is shown in the following table. The cost impact per square foot shown in Table E-1 below exceeds 72% of the current maximum authorized School Fee of \$4.79, or \$3.45. Therefore, the School District is reasonably justified in levying a Level I School Fee in an amount up to but not exceeding \$3.45 per square for residential development (“Applicable Residential School Fee”).

TABLE E-1
**RESIDENTIAL SCHOOL FACILITIES COST IMPACT/
APPLICABLE RESIDENTIAL SCHOOL FEE PER SQUARE FOOT**

IMPACT PER SQUARE FOOT	APPLICABLE RESIDENTIAL SCHOOL FEE PER SQUARE FOOT
\$9.92	\$3.45

COMMERCIAL/INDUSTRIAL DEVELOPMENT

As commercial/industrial properties develop new jobs are created. Many of the employees working at the new jobs will move into the School District boundaries, thereby increasing the need for new residential development and further impacting the School District’s facilities. School Fees may be imposed on commercial/industrial development if the school fees collected on residential development are insufficient to provide adequate school facilities for students generated as a result of new development. Nexus findings are presented that justify the imposition of the commercial/industrial school fee.

Section 17621(e)(1)(B) of the Education Code requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. This code section further recommends employee generation estimates be based on the applicable employee generation estimates set forth in the January 1990 edition of “San Diego Traffic Generator Study” (“Traffic Study”), a report by San Diego Association of Governments (“SANDAG”). The school facilities cost impacts per commercial/industrial square foot, as determined in this Study, are shown in Table E-2 separated by commercial/industrial land use type (each commercial/industrial category is further described in Appendix “A”). The cost impacts per square foot for each category of commercial/industrial development are equal to or exceed 72% of the maximum authorized School Fee, or \$0.56 per square foot, except for Rental Self-Storage development. Therefore, the School District is justified in levying commercial/industrial School Fees on new commercial/industrial development in an amount up to but not exceeding the maximum authorized School Fee of \$0.56 per square foot (“Applicable Commercial/Industrial School Fees”). The Applicable Commercial/Industrial School Fees may be imposed on new

commercial/industrial construction or reconstruction classified as Rental Self-Storage, up to the respective net cost impact per square foot determined herein.

**TABLE E-2
COMMERCIAL/INDUSTRIAL SCHOOL FACILITIES COST IMPACTS/
APPLICABLE SCHOOL FEE PER SQUARE FOOT**

COMMERCIAL/INDUSTRIAL CATEGORY	IMPACT PER SQUARE FOOT	APPLICABLE SCHOOL FEE PER SQUARE FOOT
Banks	\$2.29	\$0.56
Community Shopping Center	\$1.24	\$0.56
Neighborhood Shopping Center	\$2.27	\$0.56
Industrial Business Parks	\$2.85	\$0.56
Industrial Parks/Warehousing	\$1.09	\$0.56
Rental Self-Storage	\$0.05	\$0.05
Research & Development	\$2.46	\$0.56
Hospitality (Lodging)	\$0.92	\$0.56
Commercial Offices (Standard)	\$3.88	\$0.56
Commercial Offices (Large High Rise)	\$3.68	\$0.56
Corporate Offices	\$2.18	\$0.56
Medical Offices	\$3.46	\$0.56

SECTION I. INTRODUCTION

A. PURPOSE OF THE STUDY

The purpose of this Study is to determine if a reasonable relationship exists between new residential and commercial/industrial development and the School District's need for the construction and/or reconstruction of school facilities. The findings presented in this Study have been made pursuant to and in compliance with Education Code Section 17620 and Government Code Section 66001 *et seq.* and serve as a basis for determining such a relationship.

B. GENERAL DESCRIPTION OF THE SCHOOL DISTRICT

The School District serves areas within the Cities of Menifee and Perris, and portions of the unincorporated County of Riverside ("County") and provides education to approximately 4,300 students in grades transitional kindergarten (TK) through grade eight.

SECTION II. LEGISLATION AND LEGAL REQUIREMENTS

This section discusses the legislative history of the Level I Fee and current proposed legislation.

A. LEGISLATIVE HISTORY

Assembly Bill (“AB”) 2926 enacted by the State in 1986, also known as the “1986 School Facilities Legislation” granted school districts the right to levy fees in order to offset the impacts to school facilities from new residential and commercial development. Originally set forth in Sections 53080 and 65995 of the Government Code, AB 2926 authorized statutory school fees to be levied, commencing January 1, 1987, in the amount of \$1.50 per square foot of new residential assessable space and \$0.25 per square foot of enclosed commercial or industrial assessable space. AB 2926 also provided for an annual increase of the statutory fees based on the Statewide cost index for Class B construction, as determined by the SAB. The provisions of AB 2926 have since been amended and expanded.

AB 1600 was enacted by the State legislature in 1987 and created Government Code Sections 66000 *et seq.* These sections require a public agency to satisfy the requirements as further discussed in Section VII herein when establishing, increasing or imposing a fee as a condition of approval for a development project.

AB 181, enacted in 1989, established new requirements for school districts levying school fees and re-codified Government Code Section 53080 *et seq.* as Education Code Section 17620 *et seq.* The additional provisions established by AB 181 imposed more stringent nexus requirements which must be satisfied by school districts prior to levying school fees, especially with respect to commercial/industrial school fees. Additionally, AB 181 provided that the maximum school fees for residential and commercial/industrial development be subject to an increase every two (2) years rather than annually.

In 1998, Governor Wilson signed into law Senate Bill 50 (“SB 50”), the Leroy F. Greene School Facilities Act of 1998, which reformed State’s School Building Program and developer school fee legislation. A significant provision of SB 50 provides school districts the option of adopting alternative school fees (also known as Level II and Level III fees) in excess of the Level I fee upon meeting certain requirements. SB 50 also placed a \$9.2 billion State Bond measure on the November 3, 1998 ballot (Proposition 1A). With the passage of Proposition 1A in November 1998, SB 50 became operative.

SB 50 also limited the power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development and suspended the court cases known as Mira-Hart-Murrieta. The Mira-Hart-Murrieta cases previously permitted school districts to collect mitigation fees in excess of school fees under certain circumstances.

On November 5, 2002, California voters passed Proposition 47, which authorized the issuance of \$13.05 billion in State bonds and enacted AB 16, which provided for additional reformation of the School Building Program. AB 16, among other items, clarified that if the SAB is no longer approving apportionments for new construction due to the lack of funds available for new school

facilities construction, a school district may increase its Level II Fee to the Level III Fee. With the issuance of the State bonds authorized by the passage of Proposition 47, this section of AB 16 became inoperable.

Furthermore, Proposition 55 was approved on March 2, 2004, which authorized the sale of \$12.3 billion in State bonds. In addition, California voters approved Proposition 1D in the general election held on November 7, 2006. Proposition 1D authorized the issuance of \$10.4 billion in State bonds.

Most recently, California voters approved Proposition 51 (the California Public School Facility Bonds Initiative) in the general election held on November 8, 2016, authorizing the issuance of \$9 billion in bonds to fund the improvement and construction of school facilities for K-12 schools and community colleges.

SECTION III. PROJECTED UNHOUSED STUDENTS AND FACILITY REQUIREMENTS

The objective of this Study is to determine if a nexus exists between future residential and commercial/industrial development and the need for school facilities. In addition, the Study aims to identify the costs of such required school facilities and determine the amount of School Fees that can be justifiably levied on residential and commercial/industrial development according to the estimated impacts caused by such development. This section evaluates whether existing school facilities can accommodate students generated from future residential development, projects student enrollment based on anticipated residential growth, and estimates the costs of school facilities required to accommodate new residential growth. The findings determined in this section are used in following sections to evaluate the cost impact per square foot for new residential and commercial/industrial property. Although many of the figures in this section are primarily derived from residential development projections and impacts, they are adjusted in Section V. to evaluate the impact of commercial/industrial development.

A. SCHOOL DISTRICT CAPACITY AND CURRENT STUDENT ENROLLMENT

The School District's existing school facilities capacity and student enrollment must first be evaluated in order to determine if there is available capacity to house students generated by new residential and commercial/industrial development.

The School District currently operates four (4) elementary schools and one (1) middle school. Pursuant to Education Code Section 17071.10, these facilities have a capacity to accommodate 4,323 students. This capacity was reported on SAB Form 50-02 and was updated to reflect new school facility construction projects funded by the State. Appendix "B" provides a calculation of the updated facility capacity.

School District records report total student enrollment equal to 4,915 students as of October 2021. A summary of the October 2021 student enrollment is included in Appendix "C". The current available capacity is calculated by subtracting the current student enrollment from existing school facilities capacity for each school level. The School District currently operates elementary schools serving students in grades transitional kindergarten (TK) through 5 and middle schools serving students in grades 6 through 8. In order to be consistent with the SAB 50-02 reporting requirements, the enrollment school level configurations have been adjusted to represent grades kindergarten through 6 at the elementary level and grades 7 and 8 at the middle school level. This operation results in a capacity deficiency at the elementary, and available capacity at the middle school level. The available capacity determination is shown in Table 1.

TABLE 1
FACILITIES CAPACITY AND OCTOBER 2021 STUDENT ENROLLMENT

SCHOOL LEVEL	EXISTING FACILITIES CAPACITY	STUDENT ENROLLMENT (OCTOBER 2021) ¹	AVAILABLE/ (DEFICIT) CAPACITY
Elementary School (TK-6)	3,119	3,372	(253)
Middle School (7-8)	1,204	919	285
TOTAL	4,323	4,291	32

¹ The School District currently operates TK-5 and 6-8 schools. The student enrollment figures have been grouped by grades TK through 6 at the elementary level and grades 7 through 8 at the middle school level to be consistent with SAB 50-02 capacity requirements.

B. PROJECTED UNHOUSED STUDENTS

1. Projected Residential Units

To estimate the number of residential units planned to be constructed within the School District over the next ten (10) years (“Projected Units”), Koppel & Gruber Public Finance (“K&G Public Finance”) first obtained and compiled information provided by the Cities of Menifee and Perris and the County of Riverside Planning Departments, including but not limited to specific plans, tract and land entitlement information, and actions taken by the local agency planning commissions. It is projected that the areas within the School District could experience the development of an estimated 7,002 residential units over the next ten-year planning period.

The types of residential units considered include (i) single family detached (“SFD”), (ii) single family attached (“SFA”), and (iii) multi-family units (“MF”). Units classified as SFD are those units with no common walls; SFA are those units sharing a common wall each on a separate and unique assessor’s parcel (e.g. townhouses, condominiums, etc.); and MF are those units which share a single assessor’s parcel and share a common wall (e.g. apartments, duplexes, etc.).

Many of the Total Projected Units in Table 2 have mitigated their impact to the School District through participation in a community facilities district (“CFD”). Those Total Projected Units have been identified and/or estimated and excluded from the calculations throughout the report.

The estimated Total Projected Units that are subject to CFDs (which, for purposes of this Study are deemed “mitigated”) and unmitigated Projected Units in the entire School District are summarized by residential category in Table 2.

TABLE 2
PROJECTED UNITS BY RESIDENTIAL CATEGORY

RESIDENTIAL CATEGORY	TOTAL PROJECTED UNITS	MITIGATED PROJECTED UNITS	UNMITIGATED PROJECTED UNITS
Single Family Detached (SFD)	6,067	3,444	2,623
Single Family Attached (SFA)	440	314	126
Multi-Family (MF)	495	235	260
TOTAL	7,002	3,993	3,009

2. Student Generation Rates

In order to calculate student generation rates (“SGRs”), K&G Public Finance first obtained property characteristic data from the Assessor’s Office of Riverside County. The property characteristic database contains property information for parcels within the School District, including land use class information and situs addresses. Parcels in the database were classified by unit type (SFD, SFA, MF) based upon the land use classes provided.

K&G Public Finance then obtained a student database from the School District, which contains grade level, school attended and physical address information for each student enrolled in the School District. The student database is reflective of student enrollment information as of October 2021. The student enrollment address information was matched to the property characteristic/GIS data based on address (situs address) information of parcels in the property characteristic database. Students could not be matched if they were inter-district or they did not have a valid physical address (i.e. only P.O. Box was listed). The number of students matched was then separated by school level and residential category.

A total of 4,116 students were matched to residential properties within the School District. Of these, 2,843 students were registered at SFD units, 31 were registered to MF units, and 1,242 were registered to mobile homes within the School District¹. Based on a limited number of SFA and MF projects available to reference within the School District, SGRs for SFA and MF units were used from the Beaumont Unified School district (“BUSD”) 2021 School Facilities Needs Analysis dated March 11, 2021 (“BUSD 2021 SFNA”), and the Moreno Valley Unified School District (“MVUSD”) 2021 School Facilities Needs Analysis dated May 11, 2021 (“MVUSD 2021 SFNA”), respectively. The above-mentioned studies estimated SGRs for SFA and MF units constructed within the five-year period leading to the report date as 0.4421 and 0.2304, respectively. Tables 3, 4, 5, and 6 below summarize the calculation of the SGRs by residential category.

¹ Education Code Section 17625 sets forth the prerequisites that must be met before school districts may levy school fees on mobile homes. Since it is often difficult to determine and make projections relating to mobile homes that meet those requirements, the mobile home category is omitted from this Study.

TABLE 3
SINGLE FAMILY DETACHED (SFD)
SCHOOL DISTRICT-WIDE STUDENT GENERATION RATES

SCHOOL LEVEL	STUDENTS MATCHED	SFD UNITS	SGR BY SCHOOL LEVEL
Elementary School (TK-5)	2,241	6,345	0.3532
Middle School (6-8)	602	6,345	0.0949
TOTAL	2,843	NA	0.4481

TABLE 4
SINGLE FAMILY DETACHED (SFA)
SCHOOL DISTRICT-WIDE STUDENT GENERATION RATES

SCHOOL LEVEL	STUDENTS MATCHED	SFA UNITS	SGR BY SCHOOL LEVEL ¹
Elementary School (TK-5)	NA	NA	0.3053
Middle School (6-8)	NA	NA	0.1368
TOTAL	NA	NA	0.4421

¹ The SGRs shown above are based on figures used for the Beaumont Unified School District in their 2021 School Facilities Needs Analysis.

TABLE 5
MULTI-FAMILY ATTACHED (MF)
SCHOOL DISTRICT-WIDE STUDENT GENERATION RATES

SCHOOL LEVEL	STUDENTS MATCHED	MF UNITS	SGR BY SCHOOL LEVEL ¹
Elementary School (TK-5)	NA	NA	0.1961
Middle School (6-8)	NA	NA	0.0343
TOTAL	NA	NA	0.2304

¹ The SGRs shown above are based on figures used for the Moreno Valley Unified School District in their 2021 School Facilities Needs Analysis.

TABLE 6
SCHOOL DISTRICT-WIDE
STUDENT GENERATION RATES

SCHOOL LEVEL	SFD UNITS	SFA UNITS	MF UNITS
Elementary School (TK-5)	0.3532	0.3053	0.1961
Middle School (6-8)	0.0949	0.1368	0.0343
TOTAL	0.4481	0.4421	0.2304

3. Projected Student Enrollment

The projected student enrollment was determined by multiplying the SGRs in Table 6 by the number of unmitigated Projected Units anticipated to be constructed within the School District over the next ten (10) years. A total of 1,175 students are estimated to be generated from unmitigated Projected Units. The projected student enrollment is summarized by school level in Table 7.

TABLE 7
PROJECTED STUDENT ENROLLMENT BY SCHOOL LEVEL

SCHOOL LEVEL	TOTAL PROJECTED STUDENTS
Elementary School (TK-5)	1,015
Middle School (6-8)	275
Total	1,290

4. Projected Unhoused Students

As shown in Table 1, there is available facility capacity when comparing current student enrollment and existing capacity at the School District. It should be noted however, the School District's capacity identified in Table 1 includes facilities constructed, at least in part, using funding from the School District's CFD program. Therefore, the 32 available seats shall first be reserved for students generated from mitigated Projected Units. This operation results in deficit capacity at both the elementary and middle school levels.

Hence, zero (0) seats are deemed available to accommodate Projected Student Enrollment from Projected Units. Table 8 shows the number of Projected Unhoused Students at each school level.

TABLE 8
PROJECTED UNHOUSED STUDENTS

SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT	AVAILABLE SEATS	PROJECTED UNHOUSED STUDENTS
Elementary School (TK-5)	1,015	0	1,015
Middle School (6-8)	275	0	275
Total	1,290	0	1,290

C. FACILITY NEEDS AND ESTIMATED PER-STUDENT COST

1. Facilities Needs

As demonstrated in the previous subsections of this Study, adequate permanent facilities' capacity does not exist to house Projected Student Enrollment over the next ten (10) years and future new construction projects may be required to house the Projected Student Enrollment as a result of new development. Ongoing facilities planning considerations include the potential development of an existing school site and acquisition of additional land to house Projected Student Enrollment. The estimated costs for implementing capital improvement projects necessary to accommodate Projected Student Enrollment are thus derived from a preliminary cost estimate provided by the School District Architect for the construction of a new school at the Monument Ranch site.

2. Estimated Cost Per Student

The cost per student for the construction of a new K-8 school, is estimated at \$51,809. The estimated cost was derived from the Cost Estimates Worksheet from PJHM Architects for the construction of a new K-8 school in the School District. The total estimated project cost was calculated to be \$51,808,554 with an anticipated design capacity of 1,000 seats. Dividing the projected cost by the anticipated seats results in an estimated impact per seat of \$51,809. The results are summarized in the table below.

TABLE 9
ESTIMATED FACILITIES COSTS PER STUDENT

SCHOOL LEVEL	TOTAL ESTIMATED FACILITIES COST	ANTICIPATED DESIGN CAPACITY	TOTAL FACILITIES COST IMPACT PER SEAT/STUDENT
Elementary & Middle School (K-8)	\$51,808,554	1,000	\$51,809

¹ Source: PJHM Architects Cost Estimates, dated August 30, 2021.

SECTION IV. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

The following section presents the school facility impact analysis for new residential development and provides a step-by-step calculation of the estimated per residential square foot cost impact.

To determine the school facilities cost impact per square foot of residential development, first the Facilities Cost Impact per Seat/Student determined in Table 9 is multiplied by the Projected Unhoused Students as shown in Table 8 for each school level. The result of this computation is shown in Table 10 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**TABLE 10
FACILITIES COST IMPACT**

SCHOOL LEVEL	PROJECTED UNHOUSED STUDENTS	FACILITIES COST IMPACT PER STUDENT	FACILITIES COST IMPACT PER RESIDENTIAL UNIT
Elementary School (TK-5)	1,015	\$51,809	\$52,586,135
Middle School (6-8)	275	\$51,809	\$14,247,475
Total			\$66,833,610

The total school facilities impact shown in Table 10 above was then divided by the number of Unmitigated Projected Units shown in Table 2 to determine the school facilities cost per residential unit. The costs per residential categories are shown in Table 11.

**TABLE 11
SCHOOL FACILITIES COST PER RESIDENTIAL UNIT**

TOTAL FACILITIES COST IMPACT	UNMITIGATED PROJECTED UNITS	FACILITIES COST IMPACT PER RESIDENTIAL UNIT
\$66,833,610	3,009	\$22,211

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 11 by the weighted average square footage of each residential unit type. This calculation is shown in Table 12 below. The weighted average square footage was based upon historical property characteristic data within the district, residential projects anticipated to complete within the next ten years, and feedback from planning departments within the jurisdictions that encompass the School District.

**TABLE 12
SCHOOL FACILITIES COST PER RESIDENTIAL SQUARE FOOT**

FACILITIES COST IMPACT PER RESIDENTIAL UNIT	WEIGHTED AVERAGE SQUARE FOOTAGE	FACILITIES COST PER RESIDENTIAL SQUARE FOOT
\$22,211	2,240	\$9.92

The school facilities impact per residential square foot determined in Table 12 is greater than 72% of the current maximum authorized residential School Fees, or \$3.45 per square foot; therefore, the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

SECTION V. COMMERCIAL/INDUSTRIAL SCHOOL IMPACT ANALYSIS

The following section presents the school facilities impact analysis for new commercial/industrial development and provides a step-by-step calculation of the estimated per commercial/industrial square foot cost impact.

A. EMPLOYEE GENERATION

In the course of making the nexus findings to justify School Fees levied on commercial/industrial development, Education Code Section 17621(e)(1)(B) requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. As mentioned in the Executive Summary, for purposes of making such determination this code section further sets out that the employee generation estimates be based on the applicable estimates set forth in the Traffic Study published by SANDAG.

The employee generation estimates per 1,000 square feet of development derived from the Traffic Study are listed by commercial/industrial land use category in Table 13. The land use categories listed are based on those categories described in the Traffic Study and include all land uses recommended by the provisions of Education Code Section 17621(e)(1)(B).

**TABLE 13
EMPLOYEE GENERATION PER 1,000 SQUARE FEET
OF COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	AVERAGE SQUARE FOOTAGE PER EMPLOYEE	EMPLOYEES PER 1,000 SQUARE FEET
Banks	354	2.8253
Community Shopping Center	652	1.5348
Neighborhood Shopping Center	357	2.7985
Industrial Business Parks	284	3.5156
Industrial Parks/Warehousing	742	1.3473
Rental Self-Storage	15,541	0.0643
Research & Development	329	3.0408
Hospitality (Lodging)	883	1.1325
Commercial Offices (Standard)	209	4.7897
Commercial Offices (Large High Rise)	220	4.5642
Corporate Offices	372	2.6848
Medical Offices	234	4.2654

Source: San Diego Traffic Generator Study, January 1990 Edition; SANDAG.

B. HOUSEHOLD IMPACT

1. Households

To evaluate the impact of commercial/industrial development on School District facilities, the employee generation estimates listed in Table 13 were first used to determine the impact of commercial/industrial development on a per household basis. Based on information provided by the U.S. Census Bureau^{1,2}, there are approximately 1.55 employed persons per household on average for households located within the School District. Dividing the employee generation estimates listed in Table 13 by 1.55 results in the estimated number of households per 1,000 square feet of commercial/industrial development (“Total Household Impact”).

The Total Household Impact determined in the preceding paragraph takes into consideration all employees generated from commercial/industrial development. Since some of those employees will live outside the School District and will therefore have no impact on the School District, the figures are adjusted to reflect only those households within the School District occupied by employees generated from commercial/industrial development built within the School District. Based on information derived from U.S. Census Bureau data¹, it is estimated that approximately 10.50% of employees both live and work within the School District. Multiplying the Total Household Impact by 10.50% results in the households within the School District impacted per 1,000 square feet commercial/industrial development. The results of these computations are shown in Table 14.

TABLE 14
IMPACT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT ON
HOUSEHOLDS WITHIN THE SCHOOL DISTRICT

COMMERCIAL/INDUSTRIAL CATEGORY	SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.
Banks	0.1914
Community Shopping Center	0.1040
Neighborhood Shopping Center	0.1896
Industrial Business Parks	0.2382
Industrial Parks/Warehousing	0.0913
Rental Self-Storage	0.0044
Research & Development	0.2060
Hospitality (Lodging)	0.0767
Commercial Offices (Standard)	0.3245
Commercial Offices (Large High Rise)	0.3078
Corporate Offices	0.1819
Medical Offices	0.2889

¹ 2015-2019 American Community Survey 5-Year Estimates; DP04-Selected Housing; DP03-Selected Economic Characteristics (Employment).

² 2015-2019 American Community Survey 5-Year Estimates; S0801-Commuting Characteristics (work in place of residence).

2. Household Student Generation

The student generation impacts per 1,000 square feet of commercial/industrial development were calculated by multiplying the household impacts shown in Table 14 by blended student generation rates determined for each school level. The result of this calculation is shown in Table 15. The blended student generation rates are based on the SGRs summarized in Table 6 and were combined into a single rate per school level based on the proportionate number of each unmitigated residential unit type anticipated to be constructed in the School District as shown in Table 2. The determination of the blended student generation rates is shown and described in Appendix “D” of this Study.

TABLE 15
HOUSEHOLD STUDENT GENERATION IMPACT
PER 1,000 SQUARE FEET OF
COMMERCIAL/INDUSTRIAL DEVELOPMENT

COMMERCIAL/INDUSTRIAL CATEGORY	ELEMENTARY SCHOOL	MIDDLE SCHOOL	TOTAL STUDENT GENERATION
Banks	0.0622	0.0164	0.0786
Community Shopping Center	0.0338	0.0089	0.0427
Neighborhood Shopping Center	0.0616	0.0162	0.0778
Industrial Business Parks	0.0774	0.0204	0.0978
Industrial Parks/Warehousing	0.0297	0.0078	0.0375
Rental Self-Storage	0.0014	0.0004	0.0018
Research & Development	0.0669	0.0176	0.0846
Hospitality (Lodging)	0.0249	0.0066	0.0315
Commercial Offices (Standard)	0.1054	0.0278	0.1332
Commercial Offices (Large High Rise)	0.1000	0.0263	0.1264
Corporate Offices	0.0591	0.0156	0.0747
Medical Offices	0.0939	0.0247	0.1186

C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT

1. Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the total school facilities cost per student is determined by multiplying the Facilities Cost Impact per Seat/Student determined in Table 9 by the Total Student Generation impacts for each school level shown in Table 15. The total school facilities cost impacts are shown in Table 16 by commercial/industrial development category and school level.

**TABLE 16
SCHOOL FACILITIES COSTS PER 1,000 SQUARE FEET OF
COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	ELEMENTARY SCHOOL	MIDDLE SCHOOL	TOTAL SCHOOL FACILITIES COSTS
Banks	\$3,222	\$849	\$4,071
Community Shopping Center	\$1,751	\$461	\$2,212
Neighborhood Shopping Center	\$3,191	\$841	\$4,032
Industrial Business Parks	\$4,010	\$1,056	\$5,066
Industrial Parks/Warehousing	\$1,537	\$405	\$1,942
Rental Self-Storage	\$74	\$20	\$94
Research & Development	\$3,468	\$914	\$4,382
Hospitality (Lodging)	\$1,291	\$340	\$1,631
Commercial Offices (Standard)	\$5,462	\$1,439	\$6,901
Commercial Offices (Large High Rise)	\$5,181	\$1,365	\$6,546
Corporate Offices	\$3,062	\$807	\$3,869
Medical Offices	\$4,863	\$1,281	\$6,144

2. Residential Fee Offsets

New commercial/industrial development within the School District will generate new employees, thereby increasing the need for new residential development to house those employees living in the School District. Applicable residential school fees adopted by the School District under applicable law will also be imposed by the School District on such new residential development. To prevent new commercial/industrial development from paying the portion of impact that is mitigated by the applicable residential school fees, this amount has been calculated and deducted from the school facilities impact costs calculated in Table 16.

The residential fee offsets are first calculated by using the proposed Level I Fee of \$3.45 and multiplying that amount by the weighted average square footage of a

residential unit in the School District, which is 2,240 square feet. This calculation provides the average residential revenue of \$7,728 ($\$3.45 \times 2,240$) from a residential unit constructed within an unmitigated project area (“Unmitigated Unit Revenues”). For a residential unit within a mitigated (CFD) project area, the average mitigation amount is estimated at \$10,500 (“Mitigated Unit Revenues”). Applying a weighted average using the proportionate number of Unmitigated Projected Units and Mitigated Projected Units as shown in Table 2 multiplied by the respective Unmitigated Unit Revenues and Mitigated Unit Revenues results in a weighted average revenue per residential unit equal to \$9,309. This result multiplied by the Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 15, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“Residential Fee Offset”) This computation is shown in Table 17.

**TABLE 17
RESIDENTIAL FEE OFFSET**

COMMERCIAL/INDUSTRIAL CATEGORY	SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	WEIGHTED AVERAGE REVENUES PER RESIDENTIAL UNIT	RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.1914	\$9,309	\$1,782
Community Shopping Center	0.1040	\$9,309	\$968
Neighborhood Shopping Center	0.1896	\$9,309	\$1,765
Industrial Business Parks	0.2382	\$9,309	\$2,217
Industrial Parks/Warehousing	0.0913	\$9,309	\$850
Rental Self-Storage	0.0044	\$9,309	\$41
Research & Development	0.2060	\$9,309	\$1,918
Hospitality (Lodging)	0.0767	\$9,309	\$714
Commercial Offices (Standard)	0.3245	\$9,309	\$3,021
Commercial Offices (Large High Rise)	0.3078	\$9,309	\$2,865
Corporate Offices	0.1819	\$9,309	\$1,693
Medical Offices	0.2889	\$9,309	\$2,689

3. Net School Facilities Costs

Subtracting the Residential Fee Offset determined in Table 17 from the total school facilities costs listed in Table 16 results in the net school facilities costs per 1,000 square feet of commercial/industrial development (“Net School Facilities Costs”). The Net School Facilities Costs are listed in Table 18.

**TABLE 18
NET SCHOOL FACILITIES COSTS
PER 1,000 SQUARE FEET COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	TOTAL SCHOOL FACILITIES COSTS	RESIDENTIAL FEE OFFSET	NET SCHOOL FACILITIES COSTS (PER 1,000 SQUARE FEET COM./IND.)
Banks	\$4,071	\$1,782	\$2,289
Community Shopping Center	\$2,212	\$968	\$1,244
Neighborhood Shopping Center	\$4,032	\$1,765	\$2,267
Industrial Business Parks	\$5,066	\$2,217	\$2,849
Industrial Parks/Warehousing	\$1,942	\$850	\$1,092
Rental Self-Storage	\$94	\$41	\$53
Research & Development	\$4,382	\$1,918	\$2,464
Hospitality(Lodging)	\$1,631	\$714	\$917
Commercial Offices (Standard)	\$6,901	\$3,021	\$3,880
Commercial Offices (Large High Rise)	\$6,546	\$2,865	\$3,681
Corporate Offices	\$3,869	\$1,693	\$2,176
Medical Offices	\$6,144	\$2,689	\$3,455

The Net School Facilities Costs determined in Table 18 are then divided by 1,000¹ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 19.

**TABLE 19
NET COST IMPACTS
PER SQUARE FOOT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT**

COMMERCIAL/INDUSTRIAL CATEGORY	NET IMPACTS
Banks	\$2.29
Community Shopping Center	\$1.24
Neighborhood Shopping Center	\$2.27
Industrial Business Parks	\$2.85
Industrial Parks/Warehousing	\$1.09
Rental Self-Storage	\$0.05
Research & Development	\$2.46
Hospitality (Lodging)	\$0.92
Commercial Offices (Standard)	\$3.88
Commercial Offices (Large High Rise)	\$3.68
Corporate Offices	\$2.18
Medical Offices	\$3.46

The net cost impacts shown in Table 19 exceed 72% of the maximum authorized statutory school fee for commercial/industrial development (\$0.56 per square foot), except for the category of Rental Self-Storage development. Therefore, the School

¹ The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the maximum authorized statutory fee. For Rental Self-Storage businesses, which typically have extremely low numbers of employees, the School District is justified in collecting \$0.05 per square foot.

D. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 19, the School District shall evaluate such development on a case-by-case basis to determine if the imposition of the School Fees on the development meets the nexus requirements set forth under Government Code Section 66000 et seq. The School District may levy School Fees on such development in an amount up to but not exceeding the cost per square foot impact determined through such evaluation.

E. AGE-RESTRICTED (SENIOR) HOUSING

The School District must exercise discretion in determining whether a particular project qualifies as “senior citizen housing” for the purpose of imposing developer fees. (See California Ranch Homes Development Co. v. San Jacinto Unified School Dist. (1993) 17 Cal.App.4th 573, 580–581.) The School District acknowledges Section 65995.1 and will levy its share of School Fees on qualifying senior citizen housing projects at the current commercial/industrial rate of \$0.56 per square foot as justified herein. The School District will require proof that such senior units are indeed restricted to seniors (i.e. a copy of the recorded CC&Rs or deed(s)) and reserves the right to revoke a Certificate of Compliance and/or require payment of difference of the amount per square foot paid to the then current amount of School Fees being levied on residential development per square foot should such CC&Rs or deed(s) be modified to allow students to reside in such the housing units. If there is any uncertainty as to whether a project qualifies as senior citizen housing or will, in fact, remain senior citizen housing beyond initial approval, the School District may wish to seek cooperation from the developer as a condition of levying the commercial/industrial School Fee rate. Such cooperation could take the form of an agreement by the developer to include a restriction in the recorded CC&Rs conditioning subsequent changes in residency requirements on the owner’s payment of applicable developer fees, and to notify the School District of changes in residency requirements and/or to provide current residency data upon School District’s request.

SECTION VI. REDEVELOPMENT

Government Code Section 66001, subdivision (a)(3) and (4) requires that a school district, in imposing school-impact fees, establish a reasonable relationship between the fee's use, the need for the public facility and the type of development project on which the fee is imposed. This section addresses and sets forth general policy when considering the levy of school fees on new construction units resulting from redevelopment projects within the School District.

Redevelopment means voluntarily demolishing existing residential, commercial, and/or industrial structures and subsequently replacing them with new construction (“Redevelopment”). The School District is aware of Redevelopment projects completed within the School District boundaries and anticipates similar Redevelopment projects may be completed in the next ten (10) years and beyond. School fees authorized pursuant to Education Code Section 17620 and Government Code Sections 65995 et seq. shall be levied by the School District on new construction resulting from Redevelopment projects, if there is a nexus between the School Fees being imposed and the impact of new construction on school facilities, after the impact of pre-existing development has been taken into consideration. In determining such nexus, the School District shall review, evaluate and determine on a case-by-case basis, the additional impact of the proposed new development by comparing the projected square footage, student generation and cost impacts of the proposed new construction and the pre-existing residential, commercial and/or industrial development. Such analysis shall utilize the student generation rates identified in Table 6 of this Study, as applicable.

The School District may levy school fees, authorized under applicable law, on new construction resulting from Redevelopment projects in an amount up to the additional impact cost per square foot as determined in accordance with the preceding paragraph, but not exceeding the applicable school fees.

SECTION VII. GOVERNMENT CODE SECTION 66000

Government Code Sections 66000 *et seq.* were enacted by State Legislature in 1987. In any action establishing, increasing, or imposing a fee as a condition of approval of a development project, such as the Applicable Residential School Fee and Applicable Commercial/Industrial School Fees described herein (collectively referred to as the “Applicable School Fees”), these Government Code sections require the public agency to satisfy the following requirements:

1. Determine the purpose of the fee;
2. Identify the use to which the fee is to be put;
3. Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed;
4. Determine that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed;
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection.

The information set forth herein, including the information contained in the Appendices attached hereto, provide factual evidence establishing a nexus between the type of development projected to be built within the School District and the amount of Applicable School Fees levied upon such development based on the need for such Applicable School Fees. The determinations made in this Study meet the requirements of Government Code Section 66000. The findings are summarized as follows:

Purpose of the School Fee

The Board of the School District will levy and collect school fees on new residential and commercial/industrial development to obtain funds for the construction and/or reconstruction of school facilities to accommodate students generated as a result of such development. In accordance with Education Code Section 17620, “construction or reconstruction of school facilities” *does not* include any item of expenditure for any of the following:

1. Regular maintenance or routine repair of school buildings and facilities;
2. Inspection, sampling, analysis, encapsulation or removal of asbestos-containing material, except where incidental to school facilities construction or reconstruction for which the expenditure of fees or other consideration collected pursuant to Education Code Section 17620 is not prohibited; and,
3. Deferred maintenance as described in Education Code Section 17582.

Identify the Use of the School Fee

The School District has determined that revenues collected from Applicable School Fees imposed on residential and commercial/industrial developments will be used for the following purposes:

1. Construction or reconstruction of school facilities required to accommodate students generated by new residential and commercial/industrial development;
2. Construction or reconstruction of administrative and operations facilities required in response to new student growth from new development;
3. Acquisition or lease of property for unhoused students generated from new development;
4. Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
5. Furniture for use in new or reconstructed school facilities;
6. Costs associated with the administration, collection, and justification for the Applicable School Fees;
7. Provide local funding that may be required if the School District applies for State funding through SB 50.

Relationship Between the Use of the Fee, the Need for School Facilities and the Type of Development on Which the Fee is Imposed

As determined in the preceding sections, existing school facilities need upgrades or replacement for their continued long-term use and to provide adequate and safe housing for existing student enrollment and students generated from new residential and commercial/industrial development. The fees imposed on such new development will be used, in part, to finance a portion of the construction and/or reconstruction of school facilities required to accommodate student enrollment growth generated by new residential and commercial/industrial development.

Determination of the Relationship Between the Fee Amount and the School Facilities Costs Attributable to Type of Development on Which the Fee is Imposed

The imposition of the Applicable Residential School Fee of \$3.45 per square foot of residential development is justified, as this fee is below the per square foot cost impact to provide adequate school facilities required as a result of such new residential development.

Similarly, the imposition of the Applicable Commercial/Industrial School Fees of \$0.56 per square foot of commercial/industrial development are justified as the fees are equal to or below the estimated per square foot net cost impact to provide adequate school facilities required as a result of such new commercial/industrial development, except for Rental Self-Storage development.

Accounting Procedures for the Fees

The School District will deposit, invest, and expend the school fees imposed and collected on residential and commercial/industrial development in accordance with the provision of Government Code Section 66006.

APPENDIX A
COMMERCIAL/INDUSTRIAL DEVELOPMENT DESCRIPTIONS

Banks	Include small branch offices to regional offices used for banking. Properties under this category allow customers to conduct banking on-site.
Shopping Center	Broadly include regional, community and neighborhood shopping centers which sell merchandise and services to consumers. Include grocery stores, restaurants, retail centers, automotive sales.
Industrial Business Parks	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with 15% or more of the total area designated for commercial use.
Industrial Parks/Warehousing	Include any combination of facilities engaged in manufacturing/assembly, warehousing, and/or storage with limited or no commercial use (less than 15% of the total area designated for commercial use).
Rental Self-Storage	Include warehouse developments which rent small storage vaults and often termed “mini-storage”.
Research & Development	Include scientific research and development laboratories, office and/or their supporting facilities.
Hospitality (Lodging)	Include establishments which provide lodging to the general public. Lodging types include hotels, motels, resort hotels and inns. The maximum term of occupancy for establishment within this category shall not exceed 30 days.
Commercial Offices (Standard) ¹	Include general office space occupying less than 100,000 square feet with multiple tenants.
Commercial Offices (Large High Rise) ¹	Include general office space occupying 100,000 square feet and greater with multiple tenants.
Corporate Offices	An office or office building with a single tenant.
Medical Offices	Include medical offices that serve a wide range of medical needs and may include a pharmacy. Medical offices are generally operated by one or more physicians.

¹ Office space used for activities described under banks, research and development, or medical offices should be classified under those categories.

APPENDIX B
FACILITIES CAPACITY UPDATE

ROMOLAND ELEMENTARY SCHOOL DISTRICT
FACILITIES CAPACITY UPDATE

Item	School	Elementary School Seats	Middle School Seats
SAB Form 50-02	NA	794	151
50/67231-00-001	BOULDER RIDGE ELEMENTARY	775	270
50/67231-00-002	MESA VIEW	775	513
50/67231-00-003	NEW MIDDLE (CHASE)	775	270
Total		3,119	1,204
Grand Total for All School Levels		4,323	

[1] Non-Severe and Severe capacity as listed on the SAB 50-02 form and apportioned based on grades K through 8 SAB 50-02 capacities.

APPENDIX C ENROLLMENT SUMMARY

ROMOLAND SCHOOL DISTRICT 2021/22 ENROLLMENT SUMMARY

School Name/Program	School Level/Grade											
	Elementary					Middle			Grand Total			
	TK	K	1	2	3	4	5	6		7	8	
Boulder Ridge Elementary	20	104	128	124	108	117	128	-	-	-	729	
Harvest Valley Elementary	19	109	99	122	115	117	109	-	-	-	690	
Mesa View Elementary	34	115	189	160	165	145	150	-	-	-	958	
Romoland Elementary	18	90	70	80	76	110	91	-	-	-	535	
Ethan A Chase Middle	-	-	-	-	-	-	-	460	477	442	1,379	
GRAND TOTAL	91	418	486	486	464	489	478	460	477	442	4,291	
TOTAL BY SCHOOL LEVEL								2,912			1,379	4,291
ADJUSTED FOR CAPACITY ANALYSIS [1]								3,372			919	4,291

[1] Capacity is determined based on K - 6 and 7 - 8 school level configurations pursuant to Education Code Section 17071.10.

APPENDIX D
BLENDED STUDENT GENERATION RATES

TABLE E-1
SCHOOL DISTRICT-WIDE
STUDENT GENERATION RATES

SCHOOL LEVEL	SFD UNITS	SFA UNITS	MF UNITS
Elementary School (TK-5)	0.3532	0.3053	0.1961
Middle School (6-8)	0.0949	0.1368	0.0343
TOTAL	0.4481	0.4421	0.2304

TABLE E-2
ALLOCATION OF PROJECTED UNITS BY RESIDENTIAL CATEGORY

RESIDENTIAL CATEGORY	UNMITIGATED PROJECTED UNITS	PERCENTAGE ALLOCATION
SFD	2,623	87.2%
SFA	126	4.2%
MF	260	8.6%
TOTAL	3,009	100.0%

The Blended Student Generation Rates were determined by applying the percentage allocations, in Table E-2 by the Student Generation Rates shown in Table E-1, the results of which are shown in Table E-3.

TABLE E-3
BLENDED STUDENT GENERATION RATES

SCHOOL LEVEL	BLENDED STUDENT GENERATION RATE
Elementary School (TK-5)	0.3249
Middle School (6-8)	0.0856
TOTAL	0.4105