

**RESIDENTIAL AND
COMMERCIAL/INDUSTRIAL DEVELOPMENT
SCHOOL FEE JUSTIFICATION STUDY**

TRACY UNIFIED SCHOOL DISTRICT

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EXECUTIVE SUMMARY

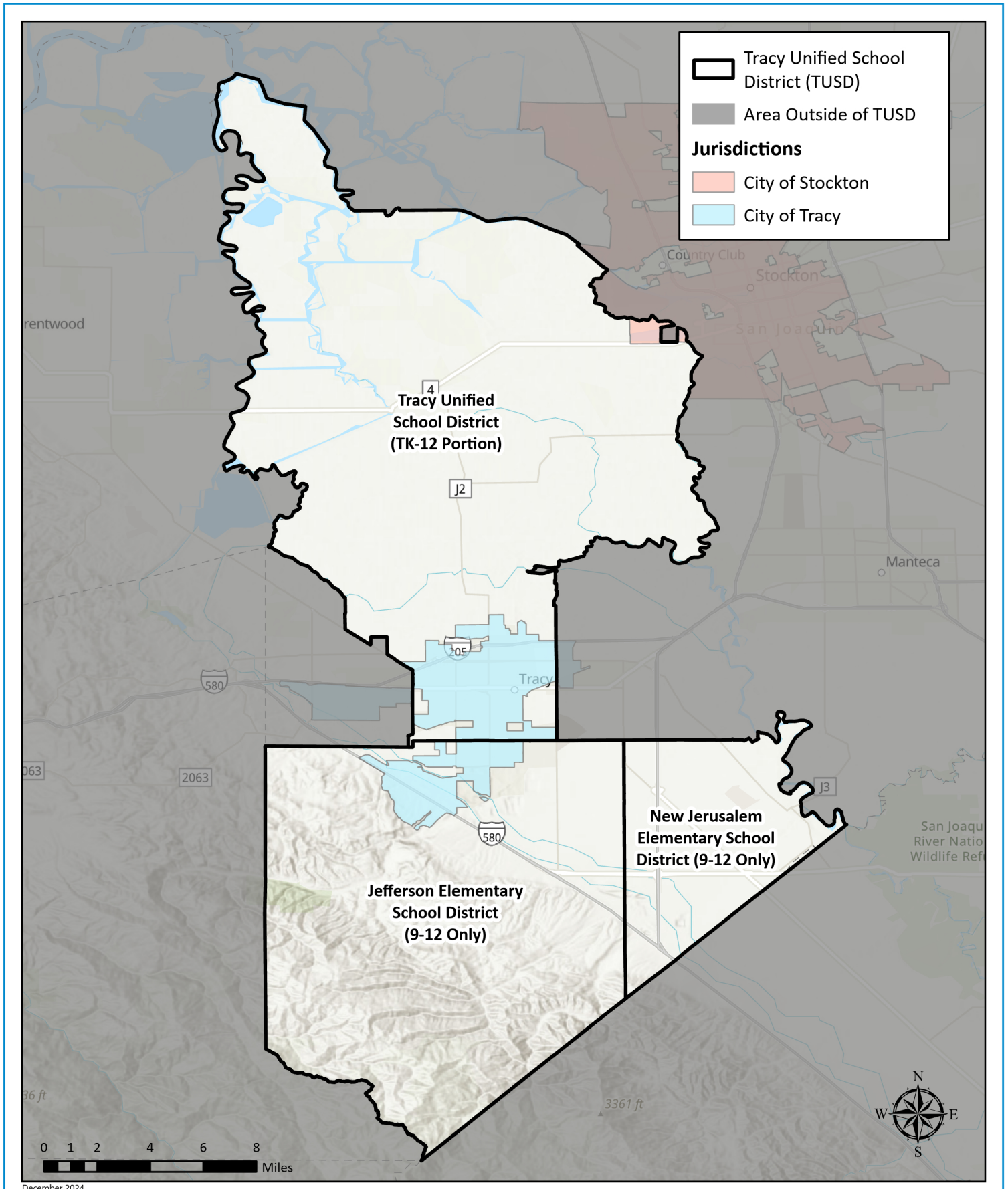
This Residential and Commercial/Industrial Development School Fee Justification Study ("Study") demonstrates the nexus established in the Tracy Unified School District ("School District") between residential and commercial/industrial development ("CID") and (i) the need for school facilities for students generated from future residential development and CID, (ii) the cost of providing the needed school facilities for this student growth, and (iii) the amount of statutory school fees ("School Fees") per assessable square foot of residential construction and CID that may be levied for school facilities required due to residential development and CID, pursuant to the provisions of Education Code Section 17620 et seq., as well as Government Code Sections 65995 and 66001 et seq.

The School District provides education to students in grades transitional kindergarten ("TK") through 12 ("TUSD" or "TK-12 Portion") residing within portions of the cities of 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 Jefferson School District ("JSD") and New Jerusalem Elementary School District ("NJESD"). Please see the map on the following page for a geographic profile of the School District. Collectively, the School District's school facilities in school year 2024/2025 have a capacity of 18,083 based on information provided in the School District's 2024 Facilities Master Plan (incorporated herein by reference). There are 7,467 seats at the elementary school level (i. e., grades TK through 5), 3,825 seats at the middle school level (i. e., grades 6 through 8), and 6,791 seats at the high school level (i.e., grades 9 through 12). Please see Exhibit A for an updated school facilities capacity calculation.

Based on data provided by the School District, student enrollment is 13,529 in school year 2024/2025 for elementary, middle, and high school levels. Comparing student enrollment to facilities capacity available at each school level reveals that facilities capacity exceeds student enrollment at all school levels in school year 2024/2025. (Please see Section IV for more information on student enrollment and facilities capacity.)

TRACY UNIFIED SCHOOL DISTRICT

GEOGRAPHIC PROFILE



Residential School Fee

To establish a nexus and a justifiable residential School Fee level, the Study evaluated the number and cost of constructing new facilities and refurbishing existing facilities required to house students generated from future residential development within the School District. Based on data obtained from the Planning Departments of the Cities, approximately 19,972 additional residential units could be constructed within the School District's boundaries ("Future Units").

Of these 19,972 Future Units, 6,713 units (6,338 single family detached ("SFD") units and 375 multi-family attached ("MFA") units) have potentially mitigated the impact on the School District's facilities through voluntary mitigation agreements wherein developers pay agreed upon fees, subject to escalation, in lieu of statutory required School Fees. Of the remaining 13,259 non-mitigated Future Units that are not subject to mitigation agreements, 11,379 are expected to be SFD units and 1,880 are expected to be MFA units. It should be noted that of the remaining 13,259 non-mitigated Future Units, 10,711 non-mitigated Future Units are anticipated within the TK-8 portion of the School District that serves TK-8 grades, of which 8,840 are expected to be SFD units and 1,871 are expected to be MFA units.

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") that Woolpert calculated to determine the projected student enrollment from non-mitigated Future Units. The results were that 2,189 elementary school students, 1,169 middle school students, and 2,168 high school students are anticipated to be generated from non-mitigated Future Units of which zero (0) elementary school students, 103 middle school students and 1,381 high school students may not be housed by existing surplus capacity ("Projected Unhoused Students"). The estimates of Projected Unhoused Students include a reduction of the number of students projected to be housed by existing excess facilities.

To adequately house the Projected Unhoused Students, the School District will need to expand existing middle school and high school facilities. Using design capacities of 27 students per classroom for both the middle school and high school levels, and in order to maintain existing service levels, the School District will need to expand existing school facilities by constructing additional classrooms and other facilities due to increased demand. This includes constructing four (4) new middle school classrooms¹ and 52 new high school classrooms² to accommodate the Projected Unhoused Students from the current estimate of projected non-mitigated Future Units. Based on new construction per pupil grants established by the Senate Bill ("SB") 50, Woolpert utilized a new construction impact of \$34,038 per student at the middle school level and \$43,184 per student at the high school level.

¹ 103 students divided by 27 students /classroom = approximately 4 classrooms.

² 1,381 students divided by 27 students /classroom = approximately 52 classrooms.

Additionally, the School District will also need to reconstruct and refurbish its existing elementary, middle, and high school facilities to maintain existing service levels. Based on reconstruction and modernization costs in the School District's 2024 Facilities Master Plan, reconstruction and modernization costs are \$30,147 per student at the elementary school level, \$23,172 per student at the middle school level, and \$26,135 per student at the high school level.

In addition to the school facilities cost impacts, the School District will experience Central Administrative and Support Facilities cost impacts because of students generated from non-mitigated Future Units. Student population growth from new residential development and CID will also generate a need for administrative and support facilities in order to maintain a level of service commensurate with that presently existing.³ 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 \$800⁴. 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 FROM FUTURE UNITS (2025\$)

School Levels	Cost Per Student	Students Generated	Total School Facilities Cost Impacts
Middle School	\$34,038	103*	\$3,505,914
High School	\$43,184	1,381*	\$59,637,104
Central Admin Impacts	\$800	1,484	\$1,186,533
ES Reconstruction /Refurbishment	\$30,147	2,189	\$65,991,783
MS Reconstruction /Refurbishment	\$23,172	1,066	\$24,709,076
HS Reconstruction /Refurbishment	\$26,135	788	\$20,581,313
Total	N/A	N/A	\$175,611,723

*Unhoused students generated.

The cost impacts listed in Table ES-1 were apportioned to each residential land use class (i.e., single family detached and multi-family attached) 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.

³ *Shapell Industries, Inc. v. Governing Board of the Milpitas Unified School District* (1991) 1 Cal.App.4th 218.

⁴ *Calculated in accordance with the Provisions of Chapter 341, Statutes of 1992, SB 1612, recommending approximately four (4) square feet of central administrative and support facilities for every student. Estimated at \$200 per square foot.*

Table ES-2 lists the school facilities cost impacts per residential unit.

T A B L E E S - 2
SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL UNIT (2025\$)

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost Impacts per Residential Unit
Single Family Detached ("SFD") (Grades TK-8)	\$80,086,921	8,840	\$9,060
Multifamily Attached ("MFA") (Grades TK-8)	\$14,201,985	1,871	\$7,591
Single Family Detached ("SFD") (Grades 9-12)	\$74,116,478	11,379	\$6,513
Multifamily Attached ("MFA") (Grades 9-12)	\$7,206,338	1,880	\$3,833

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. Average square footages were determined by utilizing square footage information from recently constructed units as provided in the County's 2024/2025 Secure Assessors Roll. Table ES-3 lists the school facilities cost impacts per average residential square foot.

T A B L E E S - 3
SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL SQUARE FOOT (2025\$)

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Units	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
SFD (Grades TK-8)	\$9,060	2,563	\$3.53
MFA (Grades TK-8)	\$7,591	1,180	\$6.43
SFD (Grades 9-12)	\$6,513	2,563	\$2.54
MFA (Grades 9-12)	\$3,833	1,180	\$3.25

The per square foot impacts identified in Table ES -3 must be combined in order to determine the total impact of non-mitigated Future Units within the TK-12 Portion of the School District and the portion of the School District that serves grades 9 -12 only. Table ES-4 identifies the total combined school facilities cost impacts per square foot.

T A B L E E S - 4

**TOTAL SCHOOL FACILITIES COST IMPACTS
PER RESIDENTIAL SQUARE FOOT (2025\$)**

Land Use	TK-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	Total School Facilities Cost Impacts per Square Foot
SFD Units ^[1]	\$3.53	\$2.54	\$6.07
MFA Units ^[1]	\$6.43	\$3.25	\$9.68
SFD Units ^[2]	N/A	\$2.54	\$2.54
MFA Units ^[2]	N/A	\$3.25	\$3.25

[1] TK-12 portion of the School District.

[2] 9 -12 Portion of the School District (overlapping boundaries with JSD and NJESD).

Commercial/Industrial School Fee

To determine the commercial/industrial School Fee, the Study divides CID into eight (8) land use categories: retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, hotel/motel, self-storage and greenhouse/indoor agriculture facility. The employment impacts of each of these land uses, in terms of the number of employees per 1,000 square feet of building space, are based on information from the San Diego Association of Governments ("SANDAG"), pursuant to Education Code Section 17621(e)(1)(B). These employee impacts are shown in Table ES-5 on the following page.

TABLE ES - 5

EMPLOYMENT IMPACTS PER 1,000 SQUARE FEET CID

CID Land Use Category	Square Feet per Employee	Employees per 1,000 Square Feet
Retail and Service	447	2.2371
Office	286	3.4965
Research and Development	329	3.0395
Industrial/Warehouse/Manufacturing	371	2.6954
Hospital	360	2.7778
Hotel/Motel	883	1.1325
Self-Storage	15,552	0.0643
Greenhouse/Indoor Agriculture Facility	529	0.0643

Additional data from San Joaquin Council of Governments ("SJCOG"), the U.S. Bureau of Census ("Census"), and Zillow⁵ provide a basis for estimating net school district household impacts. This number includes only those households occupying new housing units within the School District, as opposed to existing units whose previous occupants may have included school- aged children. Multiplying net school district households by (i) the number of students per household, and (ii) total school facilities costs per student, provides the school facilities cost impacts estimate. Collectively, this calculation represents the total school facilities cost impacts per 1,000 square feet of commercial/industrial floor space, expressed in 2025 dollars in Table ES-6.

TABLE ES - 6

GROSS SCHOOL FACILITIES COSTS IMPACTS PER HOUSEHOLD (2025\$)

School Level	Total Student Generation Impacts	Total Cost per Student ^[1]	Gross School Facilities Costs Impacts per Unit
Elementary School	0.0195	\$30,147	\$587.87
Middle School	0.0082	\$24,206	\$198.49
High School	0.0137	\$37,511	\$513.90
Total	N/A	N/A	\$1,300.26

[1] Total Cost per Student is inclusive of per pupil new construction costs, modernization costs and central administrative impacts.

⁵ Homesale information for recently constructed and previously built residential units was obtained from Zillow in order to estimate the propensity for new employees to occupy newly constructed homes due to the large sample of data available.

The revenue component of the Study estimates the potential fee revenues generated by CID, including residential fees paid by CID related households, as well as CID School Fees. CID related residential revenues are calculated based on the 2024 Level 1 residential School Fee rate of \$5.17 per square foot, justified in this Study.

The residential revenues per household are then subtracted from the impact per household listed above. This results in net impact per household, as summarized in Table ES-7.

T A B L E E S - 7
**NET SCHOOL FACILITIES COST IMPACTS
PER HOUSEHOLD (2025\$)**

Item	Elementary School Amount	High School Amount
Impact per Household	\$786.36	\$513.90
Residential Revenue Per Household	\$569.70	\$255.35
Net School Facilities Cost Impacts Per Household	\$216.66	\$258.55

The net impact per household is then divided by the appropriate square feet per employee for each of the seven (7) CID land use categories to determine the cost impact per square foot of CID for each CID category, as shown in Table ES-8 on the following page.

TABLE ES - 8

SCHOOL FACILITIES COST IMPACTS PER SQUARE FOOT (2025\$)

District Portion	School Level	Net Impact per Household	Square Feet per Employee	Cost Impact per Square Foot Of CID
TK-12	Retail and Services	\$475.21	447	\$1.063
	Office	\$475.21	286	\$1.662
	Research and Development	\$475.21	329	\$1.444
	Industrial/Warehouse/Manufacturing	\$475.21	371	\$1.281
	Hospital	\$475.21	360	\$1.320
	Hotel/Motel	\$475.21	883	\$0.538
	Self-Storage	\$475.21	15,552	\$0.031
	Greenhouse/Indoor Agriculture Facility	\$475.21	529	\$0.898
9-12*	Retail and Services	\$258.55	447	\$0.578
	Office	\$258.55	286	\$0.904
	Research and Development	\$258.55	329	\$0.786
	Industrial/Warehouse/Manufacturing	\$258.55	371	\$0.697
	Hospital	\$258.55	360	\$0.718
	Hotel/Motel	\$258.55	883	\$0.293
	Self-Storage	\$258.55	15,552	\$0.017
	Greenhouse/Indoor Agriculture Facility	\$258.55	529	\$0.489

**Boundaries shared with a feeder elementary school districts.*

Pursuant to Government Code section 65995(b)(3), the State Allocation Board ("SAB") adjusts the maximum statutory school impact fee rate for residential and commercial/industrial construction every even numbered year based on the RS Means Construction Cost Index for Class B construction, which is independently published. In January 2024, the SAB adjusted the rate amounts of statutory School Fees for a unified (TK-12) school district from \$4.79 to \$5.17 per square foot of residential construction and from \$0.78 to \$0.84 per square foot of chargeable covered and enclosed space for commercial/industrial construction pursuant to Education Code section 17620 et seq., and Government Code section 65995 et seq.

Additionally, based on the School District's fee sharing agreements with JSD and NJESD, the School District can collect 25 percent of school fees, or \$1.29 per square foot of residential construction and \$0.21 per square foot of chargeable covered and enclosed space for commercial/industrial construction, within the portion of the School District also served by JSD and NJESD.

As shown in Table ES-4, the impact per residential square foot exceeds the maximum residential School Fee per square foot of \$5.17 per square foot in the TK-12 Portion of the School District and \$1.29 per square foot in the 9-12 portion of the School District, and, therefore, residential School Fees would provide for less than 100 percent of the school facilities cost impacts. The Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$5.17 per square foot within the TK-12 Portion of the School District and \$1.29 per square foot within the 9-12 Portion of the School District for all new non-mitigated residential development, subject to the limitations under the law.

Justification of the CID School Fee is based on a comparison of cost impacts per CID square foot, as shown in Table ES-8, against the maximum CID Fee per square foot as noted above. As shown in Table ES-9, the School District is justified in levying:

T A B L E E S - 9
MAXIMUM SCHOOL FEE PER SQUARE FOOT OF CID

CID Land Use Category	Maximum School Fee Within TK-12 Portion of School District	Maximum School Fee Within 9-12 Portion of School District ^[1]
Retail and Service	\$0.840	\$0.210
Office	\$0.840	\$0.210
Research and Development	\$0.840	\$0.210
Industrial/Warehouse/Manufacturing	\$0.840	\$0.210
Hospitals	\$0.840	\$0.210
Hotel/Motel	\$0.538	\$0.210
Self-Storage	\$0.031	\$0.017
Greenhouse/Indoor Agriculture Facility	\$0.840	\$0.210

[1] 9-12 portion of School District is served by JSD and NJESD for grades TK-8.

The purpose of collecting fees on residential and commercial/industrial development is to acquire funds to construct or reconstruct school facilities to accommodate the students generated by new residential and commercial/industrial developments and maintain existing levels of service due to increased demand on the school facilities as a result of new development within the District's boundaries. The District's use of the fee will involve constructing new school facilities and refurbishing existing facilities related to increased demand on the facility due to new development.

In addition, the fee may be used to construct new permanent facilities, additional permanent facilities on existing school campuses, and/or constructing and/or reconstructing school facilities and/or campuses, including administrative and supporting facilities as necessary to maintain existing levels of service.

Fees will additionally be used for land (purchased or leased) for school facilities, design of school facilities, permit and plan checking fees, construction, reconstruction, rehabilitation, and/or refurbishment of school facilities, legal and administrative costs in connection with the adoption of school impact fees and requisite reporting, administration of the collection of fees, and/or other lawful purposes. The District will also need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed.

Future residential development will cause new families to move into the District and, consequently, will generate additional students in the District. Similarly, new commercial/industrial development will cause new workers to move into the District. Because some of these workers will have school-age children, commercial/industrial development will also generate new students in the District. As shown in this Report, adequate school facilities do not exist for these students. Future residential and CID development, therefore, creates a need for additional school facilities, as well as a need to refurbish existing school facilities due to increased demand on these facilities to maintain existing levels of service. The students generated by such new residential and CID development will be accommodated by the school facilities for which the school impact fees are expended.

The collection of school impact fees is essential to provide necessary public school facilities to serve residential and commercial/industrial development projects, and is necessary to avoid, substantially lessen, or otherwise mitigate impacts of such projects on school facilities under the California Environmental Quality Act (Public Resources Code, §§21000 et seq.)⁶ As detailed in this report, the fees outlined above all meet the requirements of Government Code Section 66001 (the nexus requirements), that is, a reasonable relationship and rough proportionality exists between the amount and use of the fees and the developments on which they are charged.

⁶ See environmental review documents for San Joaquin County 2035 General Plan (DEIR, October 2014), City of Tracy 2015-2023 Housing Element (IS/ND, January 2016), City of Tracy General Plan (Amended DEIR, March 2006), Envision Stockton 2040 General Plan Update (Supplemental DEIR, June 2018)).

I. INTRODUCTION

Assembly Bill ("AB") 2926 (1986) granted school districts the right to impose fees in order to offset the impacts to school facilities from new residential and commercial/industrial development. AB 2926 authorized statutory school fees to be imposed, 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.

Senate Bill ("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 \$92 billion;
2. Reformation of the State School Building Program; and
3. Reformation of the School Fee mitigation payment collection procedure.

Additionally, the following legislation or propositions were enacted or passed for school facility financing:

- 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 authorizes 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 authorizes the additional issuance of State general obligation bonds in the amount of \$12.3 billion.
- 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 authorizes the issuance of State general obligation bonds in the amount of \$10.4 billion.
- On November 8, 2016, the voters of the State approved Proposition 51 ("Prop 51"). Prop 51 authorizes the issuance of State general obligation bonds in the amount of \$9 billion.

- On November 5, 2024, the voters of the State approved Proposition 2 (“Prop 2”). Prop 2 authorizes the issuance of State general obligation bonds for school facilities in the amount of \$10 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 are subject to existing mitigation 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 under the Mitigation Fee Act and other applicable laws. The objective of this Study is to provide a rigorous basis for such findings.

Specifically, this Study has been prepared for the purpose of identifying the impact of projected future development on the School District’s school facilities and determining the extent to which a nexus exists between said development and the need for and cost of school facilities. This Study also considers the ability of the School District’s current facilities to accommodate the impact of demand from projected new development and seeks to identify the actual costs associated with meeting the increased facilities needs that result from new residential and commercial/industrial development.

II. LEGISLATION

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

A. AB 2926 (1986)

Among other things, AB 2926 added Government Code provisions that 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.)

AB 2926 has since been expanded and revised by AB 1600.

B. AB 1600 (1987)

AB 1600 created Sections 66000 et seq. of the Government Code. AB 1600 requires 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.

AB 1600 essentially limits the ability of a school district to impose 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*.) This Study will provide information necessary to establish such a nexus between School Fees and residential development.

The fee rates outlined in this Study meet the requirements of Government Code Section 66001 (the nexus requirements), that is, a reasonable relationship and rough proportionality exists between the amount and use of the fees and the developments on which they are charged.

C. AB 181 (1989)

AB 181 made significant changes in several State Statutes, including Sections 53080 et seq. of the Government Code, which was subsequently re-codified as Education Code Sections 17620 et seq on January 1, 1998. Changes in Section 53080 included additional requirements and procedures for imposing School Fees and other conditions on new development. Specifically, AB 181 imposes more stringent nexus requirements on school districts levying School Fees on CID, as follows:

1. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District."
2. Only that portion of the School Fee justified by the "nexus findings" contained in this study may be levied. Nexus findings must be made on an individual project basis or on the basis of categories of CID and must "utilize employee generation estimates that are based on commercial/industrial factors within the school district. Categories to be evaluated may include, but are not limited to, office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse uses.
3. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.
4. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the district's governing board. Grounds for an appeal must include, but

are not limited to, improper project classification by commercial/industrial category, or the application of improper or inaccurate employee or student generation factors to the project.

State-imposed minimum requirements for school facilities are contained in Title 5 of the California Code of Regulations. The information contained in this Study is based upon all of the foregoing concepts and standards and other applicable laws, as further informed by local school board policy, preferences, and educational specifications for school design, which evolve over time.

III. METHODOLOGY OF STUDY

Based on available quantified data, Woolpert is projecting an increase in student enrollment attributable to new development in future years. This projected growth will create a demand for new and refurbished school facilities (including Central Administrative and Support 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 is justified to determine that School Fees should be imposed on new development projects in accordance with State law. (For example, the District's July 2024 Facilities Master Plan projects nearly \$500 million in costs for needed future improvements to existing facilities and new construction District-wide).

A. RESIDENTIAL METHODOLOGY

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. 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 for students generated from future residential development, (ii) the cost of providing the needed school facilities to accommodate this student growth, and (iii) the amount of School Fees that can justifiably be levied for school facilities required as a result of residential development. The primary linkages identified include the following:

1. Housing projections - The number of future residential units to be constructed within the boundaries of the School District.
2. Student generation - The number of students generated from a residential unit within the School District.
3. Facility requirements - The number of new and refurbished school facilities, including Central Administrative and Support Facilities, required to house students generated from new residential units while maintaining a level of service commensurate with that presently existing.
4. School facilities cost impacts - The costs to the School District associated with the construction of new and refurbished school facilities.
5. School Fee requirements – The School District's need to levy School Fees to cover the cost of new and refurbished school facilities.

The aforementioned linkages result in a series of impacts that (i) connect new residential development with increased school facilities costs, and (ii) connect School Fees per assessable square foot of residential construction with increased facilities costs.

B. COMMERCIAL/INDUSTRIAL METHODOLOGY

The School District has also determined that School Fees must be levied on new CID projects. In order to determine the nexus relationships, the Study analyzes the various linkages between CID and (i) the need for school facilities generated by CID, (ii) the cost of needed school facilities attributable to CID, and (iii) the School Fee amount attributable to CID that can justifiably be levied. The primary connections or linkages include the following:

1. Job creation (i.e., new CID within the School District creates new jobs);
2. Household formation (i.e., job creation within the School District leads to the formation of new households in the School District);
3. Student generation (i.e., household formation within the School District generates new students);
4. Facilities requirements (i.e., student generation within the School District leads to the need to incur additional costs for new school facilities); and
5. School Fee requirements (i.e., additional costs for new school facilities within the School District leads to the need to levy School Fees for new development).

The above linkages result in a series of impacts that (i) connect new CID with increased school facilities costs, and (ii) connect increased school facilities costs with School Fees per square foot of CID projects. These impacts are identified for different CID land use categories, based on a "prototypical unit" of 1,000 square feet of new commercial or industrial floor space for each category. These "linkage impacts" include five (5) major types:

1. Employment Impacts
2. Household Impacts
3. Student Generation Impacts
4. School Facilities Cost Impacts
5. Fee Revenues

The nature and components of these impacts are summarized in Section III.C, along with the key assumptions and data sources used in estimating their magnitude.

Analysis of the first four (4) linkage impacts provides an estimate of the gross school facilities cost impacts per 1,000 square feet of floor space for each CID category. Analysis and comparison of all five (5) impacts provide an estimate of

(i) net school facilities cost impacts (i.e., gross school facilities cost impacts minus residential revenues) per 1,000 square feet of CID floor space and (ii) the maximum commercial/industrial School Fee that can be justified.

C. COMMERCIAL/INDUSTRIAL LAND USE CATEGORIES

Linkage impacts are analyzed for the following CID land use categories:

1. Retail and Services
2. Office
3. Research and Development
4. Industrial/Warehouse/Manufacturing
5. Hospital
6. Hotel/Motel
7. Self-Storage
8. Greenhouse/Indoor Agriculture Facility

RETAIL AND SERVICES

The retail and services category includes commercial establishments that sell general merchandise, building materials, hard goods, apparel, and other items and services to consumers. Additional establishments in the retail and services category include nurseries, discount stores, restaurants, entertainment theme parks, new/used car sales facilities, service stations, supermarkets, banks, real estate sales offices, and similar uses.

OFFICE

A general office building houses one (1) or more tenants and is the location where affairs of a business, commercial or industrial organization, professional person or firm are conducted. The building or buildings may be limited to one (1) tenant, either the owner or lessee, or contain a mixture of tenants including professional services, insurance companies, investment brokers, company headquarters, and services for the tenants such as a bank or savings and loan, a restaurant or cafeteria, and service retail and services facilities. There may be large amounts of space used for file storage or data processing.

The office category may also include medical offices that provide diagnoses and outpatient care on a routine basis, but which are unable to provide prolonged in-house medical/surgical care. A medical office is generally operated by either a single private physician or a group of doctors.

RESEARCH AND DEVELOPMENT

Research and development facilities are those primarily associated with the application of scientific research to the development of high technology products. Areas of concentration include materials, science, computer, electronic, and telecommunications products. Facilities may also contain offices and fabrication areas. Activities performed range from pure research to product development, testing, assembly, and distribution.

INDUSTRIAL/WAREHOUSE/MANUFACTURING

Warehouses are facilities that are primarily devoted to the storage of materials. They may also include office and maintenance areas. This category also includes buildings in which a storage unit or vault is rented for the storage of goods.

Manufacturing facilities are building structures where the primary activity is the conversion of raw materials or parts into finished products. Size and type of activity may vary substantially from one facility to another. In addition to actual production of goods, manufacturing facilities generally have office, warehouse, research, and associated functions. This category includes light industrial facilities such as printing plants, material testing laboratories, assemblers of data processing equipment, and power stations.

HOSPITAL

Hospital refers to any institution where medical or surgical care is given to non-ambulatory and ambulatory patients. The term does not however, refer to medical clinics (facilities that provide diagnoses and outpatient care only) or to nursing homes (facilities devoted to the care of persons unable to care for themselves).

HOTEL/MOTEL

Hotels and motels are commercial establishments primarily engaged in providing lodging, or lodging and meals, for the general public. As defined by Government Code Section 65995 (d), the hotel/motel category includes, but is not limited to, any hotel, motel, inn, tourist home, or other lodging for which the maximum term of occupancy does not exceed 30 days. It does not, however, include any residential hotel as defined by Section 50519 (b)(1) of the Health and Safety Code.

SELF-STORAGE

This category includes buildings in which a storage unit or vault is rented for the storage of goods and/or personal materials. This category may also include office areas associated with storage.

GREENHOUSE/INDOOR AGRICULTURE FACILITY

Greenhouse/Indoor Agricultural Facility refers to any facility that is covered and enclosed and utilized for agricultural purposes as defined in Section 17622 of the Education Code. This category includes both indoor vertical farms as well as hydroponic greenhouses.

Note that CID land use categories may include different industry types. For example, firms in the transportation, communications, or utilities industries may be classified in up to seven (7) of the eight (8) land use categories shown above. Similarly, retail firms may also occupy office or industrial space (e.g., for corporate headquarters or warehousing) and manufacturing firms may occupy retail space (e.g., factory retail outlets). In evaluating any given project, the School District should assign the project to whichever CID category is the predominant use within the project.

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 and CID development, Woolpert evaluated School District school year 2024/2025 student enrollment and school facilities capacity.

Collectively, the School District's school facilities in school year 2024/2025 have a capacity of 18,083 based on capacity information provided in the School District’s 2024 Facilities Master Plan (incorporated herein by reference). There are 7,467 seats at the elementary school level (i.e., grades TK through 5), 3,825 seats at the middle school level (i.e., grades 6 through 8), and 6,791 seats at the high school level (i.e., grades 9 through 12). Please see Exhibit A for an updated school facilities capacity calculation. Based on data provided by the School District, student enrollment is 13,529 in school year 2024/2025 for elementary, middle, and high school levels. Comparing student enrollment to facilities capacity available at each school level reveals that facilities capacity exceeds student enrollment at all school levels in school year 2024/2025.

T A B L E 1
EXISTING SCHOOL FACILITIES CAPACITY AND STUDENT ENROLLMENT

School Level	2024/2025 Facilities Capacity ^[1]	2024/2025 Student Enrollment	Excess/ (Shortage) Capacity
Elementary School (Grades TK-5)	7,467	5,181	2,286
Middle School (Grades 6-8)	3,825	2,759	1,066
High School (Grades 9-12)	6,791	5,589	1,202
Total	18,083	13,529	4,554

[1] Facilities Capacity utilizes a loading standard of 25 students per classroom at the elementary school level and 27 students per classroom at the middle school and high school levels. Elementary loading standards were applied to K-8 facilities and the resulting capacity was apportioned between the elementary school and middle school levels based on the number of grades served at each school level.

As indicated in Table 1 above, 2,286 elementary school seats, 1,066 middle school seats, and 1,202 high school seats are available to house students generated from non-mitigated Future Units. These surplus seats will be addressed in Section V.

Additionally, due to the age of the School District's facilities and their current state, and in light of the projected increased demand on these facilities, the School District will need to perform significant reconstruction and refurbishment of its existing school facilities to adequately house students in the future and to maintain existing service levels. These reconstruction/refurbishment needs will be discussed in Section V.E.

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 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 state law is to determine the number of non-mitigated Future Units to be constructed within the School District's boundaries. Based on development data the Cities and County obtained in October 2024, approximately 19,972 additional residential units could be constructed within the School District. Of these 19,972 Future Units, 6,713 units have potentially mitigated their impacts on the School District through the execution of a voluntary mitigation agreement wherein such units pay fees separate from School Fees. Of the remaining 13,259 non-mitigated Future Units that have not mitigated their impacts on the School District, 11,379 are expected to be SFD units while 1,880 are expected to be MFA units⁷. Table 2 distinguishes between mitigated and non-mitigated Future Units by land use. It should be noted that of the remaining 13,259 non-mitigated Future Units, 10,711 non-mitigated Future Units are anticipated within the TK-8 portion of the School District that serves TK-8 grades, of which 8,840 are expected to be SFD units and 1,871 are expected to be MFA units as shown in Table 2 on the following page.

⁷ Accessory Dwelling Units ("ADUs") or Junior ADUs are independent residential dwelling units located on the same parcel as a primary residential dwelling. ADUs may be detached, attached, or located within the primary dwelling, including within garages and storage areas. ADUs are generally considered new construction because they are living areas that did not previously exist on the parcel or as a part of the primary home. Constructing an ADU, or converting non-assessable space into an ADU, results in an increase of assessable space subject to school impact fees. Whether ADUs are called casitas, granny flats, in-law units, generational units, or converted living space, these areas are intended to provide a new area for living and sleeping – essentially a new residential unit which did not previously exist. The School District recognizes that students are projected to be generated from ADUs and will charge the appropriate fee rate for these types of new construction projects.

T A B L E 2
FUTURE UNITS

Land Uses	Mitigated Future Units	Non-Mitigated Future Units	Total Future Units
SFD Units within TUSD ^[1]	0	8,840	8,840
MFA Units within TUSD ^[1]	0	1,871	1,871
Total Units within TUSD	0	10,711	10,711
Total SFD Units ^[2]	6,338	11,379	17,717
Total MFA Units ^[2]	375	1,880	2,255
Total Units	6,713	13,259	19,972

[1] Area serving grades TK-8.

[2] Area serving grades 9-12.

B. RECONSTRUCTION: ADDITIONS TO EXISTING RESIDENCES

Reconstruction

Reconstruction is the act of demolishing existing structures and subsequently replacing them with new construction ("Reconstruction"). Reconstruction may include the voluntary or involuntary demolition of existing residential units or commercial or industrial construction and the subsequent reconstruction of the same type of residential or commercial or industrial construction, or that may consist of different residential unit types (i.e., SFD versus MFA, etc.) than what previously existed prior to demolition and replacement construction.

The impact of conversion projects (i.e., demolition of commercial construction and replacement with residential construction, etc.) is no different than the impact of other forms of new construction analyzed herein and is subject to the applicable School Fee. Likewise, to the extent Reconstruction increases the 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 or commercial/industrial construction.

However, demolition and reconstruction of like-kind development (i.e., demolition of SFD and reconstruction of SFD) and the impact of replacement square footage may require a case-by-case analysis. School Fees shall be levied by the School District on new construction resulting from Reconstruction 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 a nexus, the School District shall review, evaluate and determine, on a case-by-case basis, the impact of the proposed Reconstruction. The impact of the proposed Reconstruction may be assessed by comparing the proposed new construction and the pre-existing structures to be demolished and replaced, including the square footage, student generation, and cost impacts of each. The School District may also take into consideration the type of proposed new structures with the type of pre-existing structure demolished and replaced.

For example, the impact of a pre-existing single family detached home demolished and replaced with a new triple-unit townhome. Such analysis may utilize the student generation factors identified in this Study, and historical fee records, as applicable.

Additions to Existing Residences

Additions to existing residences, such as remodels or expansion projects, impact school facilities due to the increase in assessable space of an existing home. School Fees will be imposed on additions to existing residences as home remodel projects, to the extent that these additions exceed the exclusionary threshold outlined in the Education Code. Pursuant to Education Code Section 17620(a)(1)(C)(i), developer fees may be charged on residential additions “only if the resulting increase in assessable space exceeds 500 square feet.”⁸

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, Woolpert calculated SGFs for SFD and MFA units. The process of determining SGFs involved cross-referencing the School District’s enrollment data against the County’s 2024/2025 Secure Assessor Roll.

Sorting and extracting the County Assessor records by land use, Woolpert developed a database of 26,283 SFD units (of which 20,050 are within the TK-8 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, 10,205 student matches were found, resulting in the SGFs shown in Table 3 on the following page.

⁸ The 500 square feet exclusionary threshold for remodel projects does not apply to Accessory Dwelling Units (ADUs) or Junior ADUs. These structures are independent residential dwelling units located on the same parcel as a primary residential dwelling. Please refer to footnote 7.

T A B L E 3

STUDENT GENERATION FACTORS FOR SINGLE FAMILY DETACHED UNITS

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School	3,972	20,050	0.1981
Middle School	2,115	20,050	0.1055
High School	4,118	26,283	0.1567
Total	10,205	N/A	0.4603

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 1,553 students matched to the MFA database which consisted of 4,765 units (of which 4,391 are within the TK- 8 portion of the School District). The resulting SGFs for MFA units are shown in Table 4.

T A B L E 4

STUDENT GENERATION FACTORS FOR MUTLI-FAMILY ATTACHED UNITS

School Level	Students Matched	Multi-Family Attached Units	Student Generation Factors
Elementary School	749	4,391	0.1706
Middle School	365	4,391	0.0831
High School	439	4,765	0.0921
Total	1,553	N/A	0.3458

However, due to incomplete and incorrect address information in both the student enrollment and residential databases, Woolpert was unable to match all of the School District's students. The results are SGFs 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 967 unmatched students. Therefore, Woolpert adjusted the SGFs listed in Tables 3 and 4 to include these unmatched students based on a rate that 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 5 on the following page.

T A B L E 5

ADJUSTED STUDENT GENERATION FACTORS

School Levels	Single Family Detached Units	Multi-Family Attached Units
Elementary School	0.2095	0.1804
Middle School	0.1133	0.0893
High School	0.1736	0.1020
Total	0.4964	0.3716

D. SCHOOL DISTRICT FACILITIES REQUIREMENTS

By multiplying the non-mitigated Future Units as listed in Table 2 by the corresponding SGFs identified in Table 5, the Study determined the projected number of students to be generated from non-mitigated Future Units by unit type. The Projected Student Enrollment by school level is shown in Table 6.

T A B L E 6

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 Student Enrollment from Non-Mitigated Future Units
Elementary School	1,852	337	2,189
Middle School	1,002	167	1,169
High School	1,976	192	2,168
Total	4,830	696	5,526

As indicated in Section IV, 2,286 surplus elementary school seats, 1,066 surplus middle school seats and 1,202 surplus high school seats are available to accommodate the Projected Student Enrollment. However, the high school surplus seats must be apportioned between the mitigated and non-mitigated Future Units (Table 2) based on the number of students estimated from mitigated and non-mitigated future units. Based on this apportionment, it was determined that 788 surplus high school seats are available to house high school students from non-mitigated future units. Therefore, the Projected Unhoused Students are less than the Projected Student Enrollment at all school levels. Table 7 on the following page shows Projected Unhoused Students for the School District.

T A B L E 7

PROJECTED UNHOUSED STUDENTS FROM FUTURE UNITS

School Levels	Projected Student Enrollment from Non-mitigated Future Units	Surplus Seats	Projected Unhoused Students
Elementary School	2,189	2,286	0
Middle School	1,169	1,066	103
High School	2,168	788	1,381
Total	5,526	4,140	1,483

E. SCHOOL DISTRICT FACILITIES COSTS

The cost of expanding the existing middle school and high school facilities by adding additional teaching stations is based on per-pupil grant amounts established by SB 50. The facilities costs are in 2025 dollars and do not include interest costs associated with debt incurred to finance the construction of facilities. The estimated facility construction costs per student are shown in Table 8.

T A B L E 8

ESTIMATED PER STUDENT COST (2025\$)

School Levels	Estimated Cost per Student
Elementary School	N/A
Middle School	\$34,038
High School	\$43,184

As mentioned in Section IV, due to the age of the existing elementary school, middle school, and high school facilities and their current state, the School District will need to perform significant reconstruction and refurbishment needed due to increased demand to maintain existing levels of service and to adequately serve students in the future.

In order to determine the reconstruction and refurbishment impact of students generated from Non-mitigated Future Units, Woolpert divided total reconstruction and refurbishment cost estimates by the total numbers of students expected to utilize the School District's facilities through build out.

Based on the School District's Facilities Master Plan cost estimates, reconstruction and refurbishment of the School District's facilities will have an estimated total cost of \$491,214,140. Only the proportion of reconstruction and refurbishment costs attributable to the projected student enrollment expected to occupy the available capacity is used to calculate the School Fees. In order to determine the reconstruction impact of students generated from Non-mitigated Future Units, Woolpert divided total reconstruction and refurbishment cost estimates by the total capacity for each school to be modernized.

Based on cost information provided by the School District, Woolpert estimates reconstruction and refurbishment costs to be \$30,147 per elementary school seat, \$23,172 per middle school seat, and \$26,135 per high school seat. Table 9 illustrates the total facilities reconstruction cost per student.

T A B L E 9
ESTIMATED RECONSTRUCTION COSTS PER STUDENT (2025\$)

School Levels	Total Reconstruction/ Refurbishment Costs	Gross Future Student Enrollment	Total Reconstruction Cost per Student
Elementary School	\$225,100,345	7,467	\$30,147
Middle School	\$88,641,292	3,825	\$23,172
High School	\$177,472,503	6,791	\$26,135
Total	\$491,214,140	N/A	N/A

The costs in Table 8 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 7, non-mitigated Future Units will cause the enrollment of the School District to increase by approximately 1,483 students. In accordance with the Provisions of Chapter 341, Statutes of 1992, SB 1612, on January 26, 1994 the SAB adopted a report of the executive officer titled "Implementation of a District Administration Policy under the Provisions of Chapter 341, Statutes of 1992, SB 1612," recommending 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, Woolpert “(i) multiplied the estimated cost per student (Table 8) and the Central Administrative and Support Facilities costs per student by the Projected Unhoused Students (Table 7) respectively, and (ii) multiplied the Projected Student Enrollment (Table 6) by the estimated reconstruction and refurbishment cost per seat (Table 9). Table 10 on the following page shows illustrates the total school facilities cost impacts from non-mitigated future residential development.

T A B L E 10

TOTAL SCHOOL FACILITIES COST IMPACTS FROM FUTURE UNITS (2025\$)

School Levels	Cost Per Student	Students Generated	Total School Facilities Cost Impacts
Middle School	\$34,038	103	\$3,505,914
High School	\$43,184	1,381	\$59,637,104
Central Admin Impacts	\$800	1,483	\$1,186,533
ES Modernization	\$30,147	2,189	\$65,991,783
HS Modernization	\$23,172	1,066	\$24,709,076
HS Modernization	\$26,135	788	\$20,581,313
Total	N/A	N/A	\$ 175, 611,723

G. SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL UNIT

To determine the total school facilities cost impacts per 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 11 on the following page shows total school facilities cost impacts by land use.

T A B L E 1 1

**TOTAL SCHOOL FACILITIES COST IMPACTS
BY LAND USE (2025\$)**

School Level	Single Family Detached Units	Multi-Family Attached Units	Total School Facilities Cost Impacts
Elementary School	\$55,832,244	\$10,159,539	\$65,991,783
Middle School	\$24,254,677	\$4,042,446	\$28,297,123
High School	\$74,116,478	\$7,206,338	\$81,322,817
Total	\$154,203,399	\$21,408,324	\$175,611,723

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 12.

T A B L E 1 2

SCHOOL FACILITIES COST IMPACTS PER FUTURE UNIT (2025\$)

Land Use	Total School Facilities Cost Impacts	Non-Mitigated Future Units	School Facilities Cost Impacts per Residential Unit
SFD (Grades TK-8)	\$80,086,921	8,840	\$9,060
MFA (Grades TK-8)	\$14,201,985	1,871	\$7,591
SFD (Grades 9-12)	\$74,116,478	11,379	\$6,513
MFA (Grades 9-12)	\$7,206,338	1,880	\$3,833

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 12 were divided by the average square footage of such type of residential unit. Using square footage information obtained from the County Assessor, Woolpert estimates that the average square footage of an SFD unit in the School District is projected to be 2,563 square feet while the average square footage of an MFA unit is projected to be 1,180 square feet.

Table 13 shows the school facilities cost impacts per square foot of residential construction in the School District.

T A B L E 1 3
SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL
SQUARE FOOT (2025\$)

Land Use	School Facilities Cost Impacts per Non-Mitigated Future Units	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
SFD (Grades TK-8)	\$9,060	2,563	\$3.53
MFA (Grades TK-8)	\$7,591	1,180	\$6.43
SFD (Grades 9-12)	\$6,513	2,563	\$2.54
MFA (Grades 9-12)	\$3,833	1,180	\$3.25

The per square foot impacts identified in Table 13 must be combined in order to determine the total impact of Non-mitigated Future Units within the TK-12 Portion of the School District and the portion of the School District that serves grades 9 -12 only. Table 14 identifies the total combined school facilities cost impacts per square foot.

T A B L E 1 4
TOTAL SCHOOL FACILITIES COST IMPACTS
PER RESIDENTIAL SQUARE FOOT (2025\$)

Land Use	TK-8 School Facilities Cost Impacts per Square Foot	9-12 School Facilities Cost Impacts per Square Foot	Total School Facilities Cost Impacts per Square Foot
SFD Units^[1]	\$3.53	\$2.54	\$5.28
MFA Units^[1]	\$6.43	\$3.25	\$5.26
SFD Units^[2]	N/A	\$2.54	\$2.54
MFA Units^[2]	N/A	\$3.25	\$3.25

[1] TK-12 portion of the School District.

[2] 9-12 Portion of the School District.

Senior Citizen Restricted Housing

As required by law, a lower fee, currently the commercial/industrial maximum of \$0.84 per square foot, is established for certain types of residences that are restricted in occupancy to senior citizens. Housing of this type generates employees and has an indirect impact on the school district similar to that from commercial/industrial development projects.

The 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 District acknowledges Government Code section 65995.1 and will levy its share of fees on qualifying senior citizen housing projects at the current commercial/industrial rate. Qualified project include only “senior citizen housing developments” as defined in Civil Code section 51.3, a “multi-level facility for the elderly” as defined in Government Code section 15432(d)(9), or a “residential care facility for the elderly” as defined in Health & Safety Code section 1569.2.

The District will require proof that such senior units are 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 the difference of the amount of commercial/industrial fees paid per square foot to the then-current amount of residential fees per square foot should such CC&Rs or deed(s) be modified to allow students/families 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 District may wish to seek cooperation from the developer as a condition of levying the commercial/industrial 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 fees, and to notify the District of any changes in residency requirements and/or to provide current residency data upon District’s request.

VI. IMPACT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT ON SCHOOL FACILITIES NEEDS

This section presents the quantitative findings of the commercial/industrial nexus analysis summarized in Section III. In particular, this section presents estimates of the following:

1. All "linkage impacts" discussed in Section III, by CID land use category.
2. Gross school facilities cost impacts per 1,000 square feet of commercial/industrial floor space.
3. Net school facilities cost impacts (i.e., gross school facility cost impacts minus residential revenues) per 1,000 square feet of commercial/industrial floor space.
4. The percentage of the maximum CID School Fee per square foot allowed by law that can be justified to pay for new school facilities.

A. EMPLOYMENT IMPACTS

As indicated in Section III, employment impacts for different CID categories equal the estimated number of on-site employees generated per 1,000 square feet of commercial/industrial floor space, which are referred to in the Study as CID Land Use Categories. Consistent with the provisions of Section 17621(e)(1)(B) of the Education Code, employment impacts for each category are based on data from SANDAG. The employment impacts are shown in Table 15.

T A B L E 15

EMPLOYMENT IMPACTS PER 1,000 SQUARE FEET (2025\$)

CID Land Use Category	Square Feet per Employee
Retail and Services	447
Office	286
Research and Development	329
Industrial/Warehouse/Manufacturing	371
Hospital	360
Hotel/Motel	883
Self-Storage	15,552
Greenhouse/Indoor Agricultural Facility	529

B. HOUSEHOLD IMPACTS

As noted in Section III, household impacts equal the estimated number of households associated with each category of employment impacts, per 1,000 square feet of commercial/industrial floor space. Household impacts include the following components:

1. **Households per Employee**

The average number of households per employee are calculated based on household information obtained from the 2020 Census. Based on this information, the total household impacts are 0.5782 households per employee within the School District.

2. **Employed Persons Living within the School District**

In order to determine the number of employed persons who live within the School District, Woolpert utilized employment and travel time data from the 2020 Census. Based on this data, approximately 47.63 percent of the employed persons within the School District are estimated to live within the School District. This trend is expected to increase as new residential and CID projects are approved and additional homes and jobs are created within the School District.

3. **Propensity to Occupy New Homes**

The propensity to occupy new housing within the general area of the School District helps determine the number of employees generated from new homes. Based on data on recent resales and new home sales obtained from Zillow within the District's boundaries, new home sales in the School District were estimated to equal 23.00 percent of the total housing units which experienced occupant turnover.

4. **Total Household Impact**

In order to determine the Total Household Impact of new residential units, the Study multiplied the average employed persons per household, employed person living within the School District, and the propensity to occupy new homes. This helps determine the number of new employees coming to live and work within the School District produced by new residential development, as shown in Table 16 on the following page.

TABLE 16
TOTAL HOUSEHOLD IMPACTS FROM NEW CID

Household Impact	Factor
Households per Employees	0.5782
Employees Living within the School District	47.63%
Households with Employees Working within the School District	0.2754
Propensity to Occupy New Homes	23.00%
Total Household Impacts	0.0633

C. STUDENT GENERATION IMPACTS

As noted in Section III, student generation impacts equal the number of the School District's students associated with each category of CID space. Separate student generation impacts are estimated for each CID category and school level.

1. RESIDENTIAL STUDENT GENERATION IMPACTS

In order to analyze household formation as a result of new CID, the SGFs shown in Table 5 must be blended. To blend the SGFs of the two (2) land uses into a single SGF for each school level, the land uses were weighted in proportion to each type's percentage of the future residential units to be constructed within the School District. Applying these weighting factors yields the following blended SGFs shown in Table 17.

TABLE 17
BLENDED STUDENT GENERATION FACTORS

School Level	Student Generation Factors
Elementary School	0.2044
Middle School	0.1091
High School	0.1656

2. TOTAL STUDENT GENERATION IMPACTS

Multiplying total household impacts shown in Table 16 by the blended SGFs shown in Table 17 results in the average student generation impacts. These average student generation impacts are shown by school level in Table 18.

T A B L E 18
AVERAGE STUDENT GENERATION IMPACTS

School Level	Student Generation Factors	Total Household Impacts	Average Student Generation Impacts
Elementary School	0.2044	0.0633	0.0129
Middle School	0.1091	0.0633	0.0069
High School	0.1656	0.0633	0.0105

D. INTER-DISTRICT TRANSFER IMPACTS

The Study also evaluates the impact of students attending the School District on an inter-district transfer basis. The inter-district transfer rate is determined by calculating the ratio of student transfers into the School District's schools by the number of persons employed within its boundaries.

Based on information provided by the School District, total student transfers into the School District's schools for school year 2024/2025 total 174 at the elementary school level, 35 at the middle school level, and 84 at the high school level. Employment within the School District's area is estimated at 26,490 persons based on employment estimates provided by SCJOG. Table 19 shows the inter-district transfer impacts by school level.

T A B L E 19
INTER-DISTRICT TRANSFER IMPACTS

School Level	Inter-District Transfer Impacts
Elementary School	0.0066
Middle School	0.0013
High School	0.0032

E. TOTAL STUDENT GENERATION IMPACT

To determine the total student generation impacts of CID on the School District, the average student generation impacts from Table 18 were added to the inter-district transfer impacts from Table 19. The resulting total student generation impacts are displayed in Table 20.

T A B L E 2 0
TOTAL STUDENT GENERATION IMPACTS

School Level	Average Student Generation Impacts	Inter-District Transfer Impacts	Total Student Generation Impacts
Elementary School	0.0129	0.0066	0.0195
Middle School	0.0069	0.0013	0.0082
High School	0.0105	0.0032	0.0137

F. GROSS SCHOOL FACILITIES COST IMPACTS

As noted in Section III, school facilities cost impacts equal the gross school facilities cost impacts (exclusive of residential revenues) associated with the total student generation impact of each CID category.

1. SCHOOL FACILITIES COSTS PER STUDENT

The school facilities costs per student are the average cost impact produced by students generated from Non-mitigated Future Units. This impact estimate is derived from the school facilities costs (Table 11) divided by the Projected Student Enrollment from Non-mitigated Future Units (Table 6) by school level. Multiplying the total student generation impacts by the school facilities costs per student results in the gross school facilities cost impacts shown in Table 21 on the following page.

T A B L E 2 1
**GROSS SCHOOL FACILITIES COSTS IMPACTS
PER HOUSEHOLD (2025\$)**

School Level	Total Student Generation Impacts	Cost per Student	Gross School Facilities Costs Impacts per Household
Elementary School	0.0195	\$30,147	\$587.87
Middle School	0.0082	\$24,206	\$198.49
High School	0.0137	\$37,511	\$513.90

G. FEE REVENUES

As noted in Section III, fee revenues include two (2) components: residential revenues and potential CID School Fee revenues.

1. RESIDENTIAL REVENUES AND NET SCHOOL FACILITY COSTS

Residential revenues equal the maximum revenues from residential development associated with each school level. These revenues are derived from the School District's proposed School Fee of \$ 5.17 per square foot within the TK-12 Portion of the School District and \$1.29 per square foot within the portion of the School District served by JSD and NJESD (based on the fee sharing agreements between the School District and its feeder districts) multiplied by the School District' s weighted average square footage for residential units of 2,321 square feet. Based on this calculation, the residential revenues per unit in the School District are estimated to be \$9,000 based on elementary school and middle school impacts within the TK-12 Portion of the School District and \$4,034 based on the high school impacts, as shown in Table 22 on the following page, within the portion of the School District served by JSD and NJESD.

T A B L E 2 2

RESIDENTIAL REVENUES PER HOUSEHOLD (2025\$)

Item	TK-8 Amount	9-12 Amount
Revenue per Residential Unit	\$9,000	\$4,034
Total Household Impact	0.0633	0.0633
Residential Revenue per Household	\$569.70	\$255.35

2. NET SCHOOL FACILITIES COST IMPACTS

In order to calculate the net school facilities cost impacts per grade level, the residential revenues shown in Table 22 were subtracted from the gross school facilities cost impacts shown in Table 21. The results are the net school facilities cost impacts that must be funded by CID School Fees, as shown in Table 23.

T A B L E 2 3

**NET SCHOOL FACILITIES COST
IMPACTS PER HOUSEHOLD (2025\$)**

Item	TK-8 Amount	9-12 Amount
Impact per Household	\$786.36	\$513.90
Residential Revenue Per Household	\$569.70	\$255.35
Net School Facilities Cost Impacts Per Household	\$216.66	\$258.55

H. JUSTIFICATION OF COMMERCIAL/INDUSTRIAL SCHOOL FEES

The TK-8 and 9-12 net school facilities cost impacts per household, as identified in Table 23, were added together to calculate the total household impact in the TK-12 portion of the School District, while the 9-12 net school facilities impacts per household were used to calculate the total household impact in the 9-12 portion of the School District. Dividing these resulting net school facilities cost impacts by total the square feet per employee for each land use category, as shown in Table 15, results in the CID impacts shown in Table 24 on the following page.

T A B L E 2 4

SCHOOL FACILITIES COST IMPACTS PER SQUARE FOOT (2024\$)

School Level	School Level	Net Impact per Household	Square Feet per Employee	Cost Impact per Square Foot Of CID
TK-12	Retail and Services	\$475.21	447	\$1.063
	Office	\$475.21	286	\$1.662
	Research and Development	\$475.21	329	\$1.444
	Industrial/Warehouse/Manufacturing	\$475.21	371	\$1.281
	Hospital	\$475.21	360	\$1.320
	Hotel/Motel	\$475.21	883	\$0.538
	Self-Storage	\$475.21	15,552	\$0.031
	Greenhouse/Indoor Agriculture Facility	\$475.21	529	\$0.898
9-12	Retail and Services	\$258.55	447	\$0.578
	Office	\$258.55	286	\$0.904
	Research and Development	\$258.55	329	\$0.786
	Industrial/Warehouse/Manufacturing	\$258.55	371	\$0.697
	Hospital	\$258.55	360	\$0.718
	Hotel/Motel	\$258.55	883	\$0.293
	Self-Storage	\$258.55	15,552	\$0.017
	Greenhouse/Indoor Agriculture Facility	\$258.55	529	\$0.489

1. 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).

The School District acknowledges Government Code Section 65995.1, and will levy its share of School Fees on qualifying senior citizen housing projects at the current commercial/industrial rate per square foot as justified herein. The School District will require proof that such senior units are 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/families 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.

VII. CONCLUSION

On January 24, 2024, the SAB increased the maximum Residential and CID School Fees rates authorized by Section 17620 of the Education Code from \$4.79 to \$5.17 per residential building square foot, and from \$0.78 to \$0.84 per CID square foot for unified school districts.

This section summarizes the findings of the Study for new residential and commercial/industrial construction within the School District. In particular, this section summarizes the following:

1. RESIDENTIAL FEES

As shown in Table 14, the impact per residential square foot exceeds the maximum residential School Fee of \$5.17 per square foot within the TK-12 portion of the School District. Additionally, based on the School District's fee sharing agreements with JSD and NJESD, the School District can collect 25 percent of school fees, or \$1.29 per square foot of residential construction within the portion of the School District also served by JSD and NJESD. Therefore, School Fees would provide for less than 100 percent (100%) of the school facilities cost impacts.

This Study concludes that the School District is fully justified in levying the maximum residential School Fee of \$5.17 per square foot within the TK-12 portion of the School District and \$1.29 per square foot within the portion of the School District served by JSD and NJESD for all new residential development within its boundaries, subject to the limitations under the law.

Based on this information, the School District is justified in charging the Statutory Fee Amounts per square foot shown in Table 25 on new residential construction:

T A B L E 2 5

MAXIMUM JUSTIFIED STATUTORY RESIDENTIAL FEE PER SQUARE FOOT (2025\$)

Item	Residential Fee per Square Foot Within TK-12 Portion of School District	Residential Fee per Square Foot Within 9-12 Portion of School District
Single Family Detached	\$5.17	\$1.29
Multifamily Attached	\$5.17	\$1.29

These fee rates are reasonably related and roughly proportional to the need for the school facilities and impact on such facilities resulting from new development as described in more detail above.

2. COMMERCIAL/INDUSTRIAL FEES

As shown in Table 24, the impact per CID square foot exceeds the maximum CID School Fee of \$0.84 per square foot for all CID land use categories, within the TK-12 portion of the School District and within the 9-12 portion of the School District served by JSD and NJESD (based on the fee sharing agreements between the School District and its feeder districts) except for the Hotel/Motel and Self-Storage Categories for the TK-12 portion of the School District and Self-Storage Category for the 9-12 portion of the School District. Justification of the CID School Fee rates is based on a comparison of cost impacts per CID square foot against the maximum CID Fee per square foot. Based on this information, the School District is justified in charging the Statutory Fee Amounts per square foot shown in Table 26 on new CID construction:

TABLE 26
MAXIMUM JUSTIFIED STATUTORY CID FEE
PER SQUARE FOOT (2025\$)

CID Land Use Category	Maximum School Fee Within TK-12 Portion of School District	Maximum School Fee Within 9-12 Portion of School District
Retail and Service	\$0.840	\$0.210
Office	\$0.840	\$0.210
Research and Development	\$0.840	\$0.210
Industrial/Warehouse/Manufacturing	\$0.840	\$0.210
Hospitals	\$0.840	\$0.210
Hotel/Motel	\$0.538	\$0.210
Self-Storage	\$0.031	\$0.017
Greenhouse/Indoor Agriculture Facility	\$0.840	\$0.210

These fee rates are reasonably related and roughly proportional to the need for the school facilities and impact on such facilities resulting from new development as described in more detail above.

EXHIBIT A

SCHOOL FACILITIES CAPACITY CALCULATION

Tracy Unified School District

Updated School Capacity Calculation ^[1]

School Year 2024/2025

School	Grade Level	Total Capacity
Louis A. Bohn ES	TK-5	525
Central ES	TK-5	600
Wanda Hirsch ES	TK-5	675
Melville S. Jacobson ES	TK-5	775
McKinley ES	TK-5	700
South West Park ES	TK-5	1,150
Louis J. Vaillalovoz ES	TK-5	575
Art Freiler	TK-8	650
George Kelly	TK-8	700
Gladys Poet Christian	TK-8	483
North	TK-8	633
K-5 Total	N/A	7,467
Art Freiler	TK-8	325
George Kelly	TK-8	350
Gladys Poet Christian	TK-8	242
North	TK-8	317
Monte Vista MS	6-8	1,107
Earl E. Williams MS	6-8	1,485
6-8 Total	N/A	3,825
Kimball HS	9-12	1,890
Merrill F. West HS	9-12	2,322
Tracy HS	9-12	2,322
Stein	9-12	257
9-12 Total	N/A	6,791
Total	N/A	18,083

[1] Capacity calculation does not include Preschool or Adult Education