School Facilities Fee Justification Report

Prepared Pursuant to Government Code Section 66001

June 18, 2026

San Ysidro School District

2026/2027

KeyAnalytics

A division of California Financial Services

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I. Introduction

In 1986, the Governor signed into law Assembly Bill ("AB") 2926. AB 2926 provided for the addition of several sections to the Government Code establishing the ability of school districts to impose impact fees on new residential development ("Future Residential Development") and commercial/industrial development ("Future Commercial/Industrial Development") for the construction or reconstruction of school facilities ("School Fees").

AB 2926 also established cities or counties may not issue a building permit for a development project unless such School Fees have been paid and set the maximum level of School Fees at $1.50 per square foot for residential development and $0.25 per square foot for commercial/industrial development. Initially, these maximums were subject to increase each year based on a statewide cost index, as determined by the State Allocation Board ("SAB"); however, the adjustment provisions were subsequently extended to every other year by AB 181. Pursuant to AB 2926, a school district wishing to impose School Fees must determine that the School Fees "are reasonably related and limited to the need for school facilities caused by the development".

In 1987 AB 1600 was enacted providing additional guidance regarding the establishment of School Fees. Specifically, AB 1600 requires that public agencies satisfy the following requirements when establishing and imposing an impact fee as a condition of approval for a development project:

- Determine the purpose of the fee;
- Identify the facilities to which the fee will be applied;
- Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed;
- Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the facility attributable to the development on which the fee is imposed; and

- Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the school district's accounts five (5) or more years after it was collected.

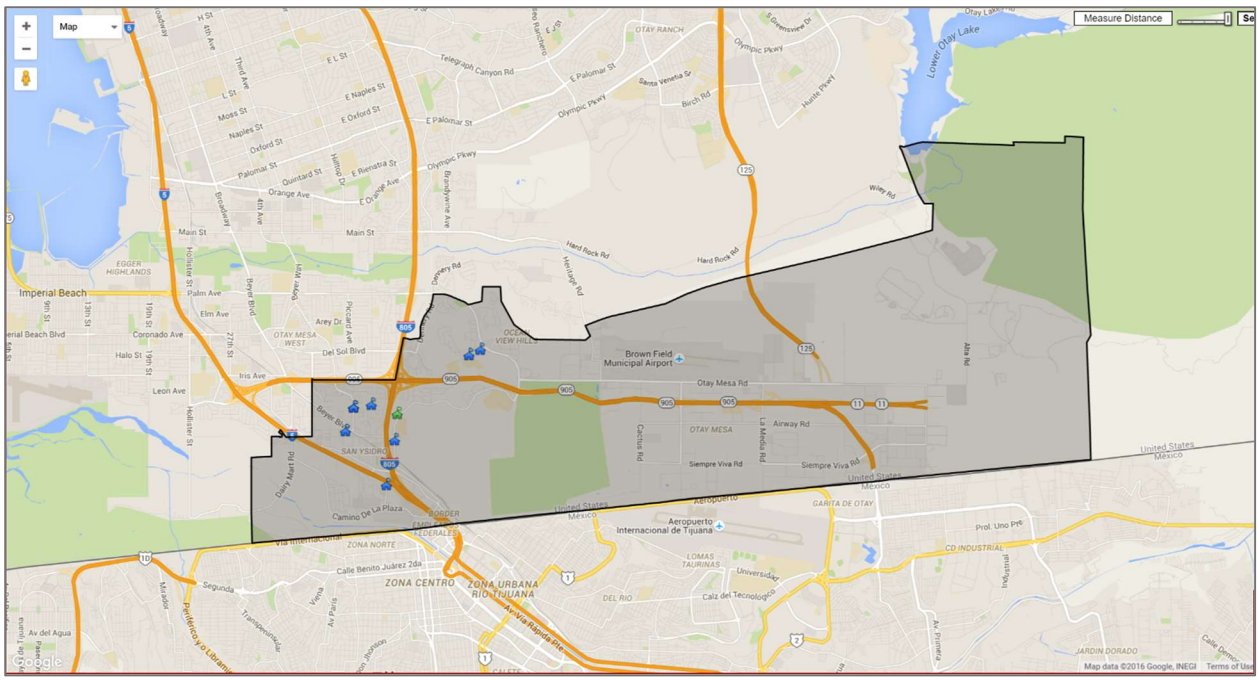
The purpose of this School Facilities Fee Justification Report ("Report") is to provide the information necessary to satisfy these requirements for the imposition of School Fees, pursuant to AB 2926, by the San Ysidro School District ("District").

II. The School District

The District has a student population of approximately 4,150 students and serves Pre-School through 8th grade students in the southern most portion of the County of San Diego ("County"). The community of San Ysidro is located 15 miles south of downtown San Diego and lies adjacent to the United States-Mexico International Border. Often described as "The Gateway to Mexico," San Ysidro attracts a tremendous number of tourists annually, making it the busiest border crossing in the world. Currently, the District operates seven (7) campuses and a Child Development Center.

This Report only considers enrollment impacts in grades Transitional Kindergarten ("TK") through 8th grade.

San Ysidro School District
Boundary Map



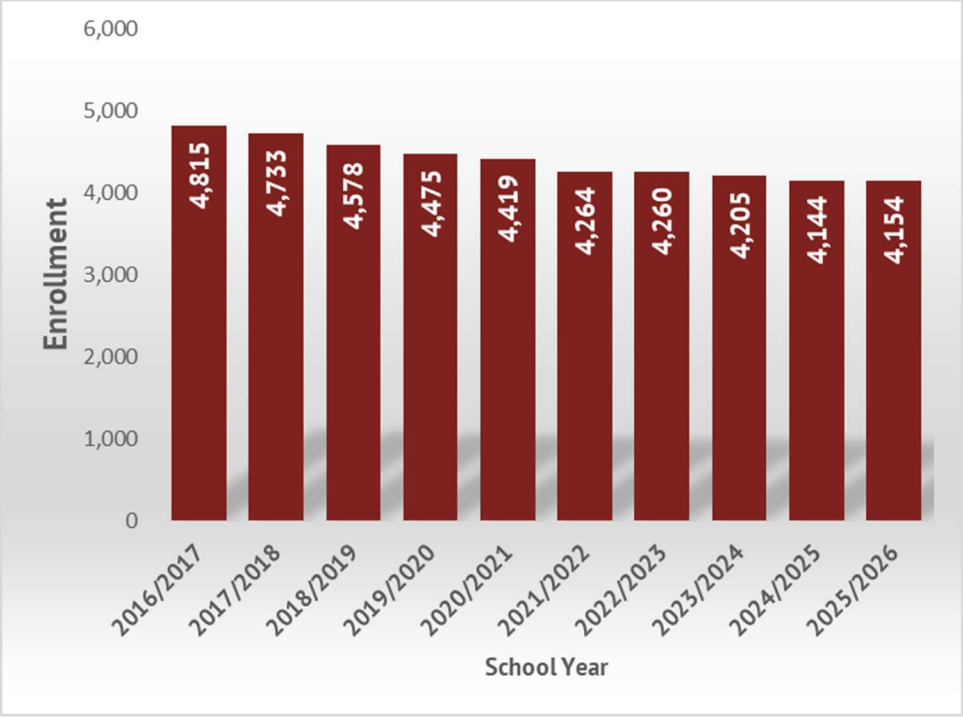
III. District Facilities Needs

In order to identify the impact of Future Residential Development on the facilities of the District, this Report (i) evaluates the District's current and projected enrollment, (ii) establishes the capacity of the District's existing facilities and (iii) identifies a plan to meet the District's facility needs.

A. Enrollment

1. Historical Enrollment – This Report uses the California Basic Educational Data Systems ("CBEDS") to identify the District's enrollment over the past ten (10) years. Over the last ten (10) years the District has experienced slight declines in enrollment which has been exasperated by COVID-19. However, based on projected residential development, the District expects to experience significant enrollment growth in the future, specifically in the area of the District described as Otay Mesa. Chart 1 shows the historical enrollment during this period.

Chart 1
Historical Enrollment Trend



2. **Enrollment as a Result of Future Residential Development –**

   a. **Future Residential Development -** To evaluate the enrollment expected as a result of Future Residential Development, this Report must first determine the number of units that are expected to be constructed within the District's boundaries.

      According to San Diego Association of Governments ("SANDAG"), a total of 8,976 additional residential units are expected to be built within the boundaries of the District ("Future Units") by 2050.

   b. **Reconstruction -** Reconstruction means the voluntary demolition of existing residential dwelling units or commercial/industrial construction and the subsequent construction of new residential dwelling units ("Reconstruction").

      The District acknowledges that Reconstruction projects may occur. In such a situation, the District shall levy School Fees if there is a nexus established between the impact of the new residential dwelling units in terms of a net increase in students generated and the fee to be imposed. In other words, the School Fees must bear a nexus to the burden caused by the Reconstruction project.

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

As of the date of this Report, the large-scale Reconstruction of residential development within the District has not occurred to the point where statistically significant data can be utilized to determine if Replacement Square Footage increases student enrollment. Therefore, prior to the imposition of School Fees on Replacement Square Footage, the District may undertake an analysis on any future proposed project(s) and may amend/update this Report. Such analysis will examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in student generation rates as identified in the Report for the applicable unit types between existing square footage and Replacement Square Footage. To the extent it can be demonstrated that Replacement Square Footage will increase student enrollment, the District may then impose a fee on the Replacement Square Footage. This fee amount on Replacement Square Footage shall be calculated by determining the cost impacts associated with any growth in student enrollment from the Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

ii. **Existing Commercial/Industrial Construction -** As with Reconstruction of existing residential dwelling units, there is not significant information regarding (i) the amount of Commercial/Industrial Reconstruction planned within the District over the next five years or (ii) historical levels, which might indicate the amount to be expected in the future. Due to the lack of information, the District has decided to evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

The fee credit determination will be based upon a comparison of the impacts of the planned residential

project and the existing land use category (i.e. retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, hotel/motel or self storage). The actual impacts of the planned residential project (taken from Table 9) will be reduced by the impact of the existing commercial/industrial category (derived from calculations contained in this Report). Any reduction to the School Fee would only occur if the reduced amount falls below the School Fee. In such a case, the District would levy the reduced amount per square foot of new residential construction for the subject Reconstruction project.

c. **Student Generation Factors -** To estimate the impact on the District's enrollment of Future Units, Student Generation Factors ("SGFs") must be established.

   The process of determining SGFs involved obtaining total student enrollment from CBEDS and dividing by the total number of occupied units within the District's boundaries, obtained from the United States Census Bureau ("Census"). Table 1 outlines the results of this analysis.

Table 1
Student Generation Factors

School Level	Student Enrollment	Occupied Housing Units	Student Generation Factors
Elementary School (Grades TK-8)	4,154	10,802	0.3846
Total	**4,154**		**0.3846**

d. **Projected Enrollment -** When these SGFs are applied to the projected Future Units the resulting enrollment impact is 3,452 students. Table 2 outlines this calculation.

Table 2
Projected Enrollment
As a Result of Future Units

School Level	Student Generation Factors	Future Units	Projected Enrollment
Elementary School (Grades TK-8)	0.3846	8,976	3,452
Total			**3,452**

B. Capacity of District Facilities

The District currently operates seven (7) campuses. The District conducted a review of the capacity of their facilities during the preparation of a Facilities Master Plan in 2021 ("2021 FMP"). Since the completing of the 2021 FMP the District has completed projects which affect capacity, this Report uses the updated capacity as provided by the District. Table 3 summarizes the District's current capacity.

Table 3
Current Facility Capacity

School Level	Facilities Capacity [1]
Elementary School (Grades TK-8)	6,137
Total	**6,137**

[1] Capacity provided by District

C. District Facilities Needs

To evaluate the school facilities needed as a result of Future Units, this Report must first determine if there is any existing capacity that can be used to house future enrollment. This Report has determined there are 1,983 existing seats that may be utilized to house students expected to be generated by Future Units. Table 4 outlines the determination of Available Capacity.

Table 4
Summary of Available District Capacity

School Level	Facilities Capacity [1]	School Year 2025/2026 Enrollment [2]	Available Capacity
Elementary School (Grades TK-8)	6,137	4,154	1,983
Total	**6,137**	**4,154**	**1,983**

[1] Capacity provided by District
[2] CBEDs

To determine the number of Additional Seats Needed as a Result of Future Units, *KeyAnalytics* subtracted the Available Capacity listed in Table 4 from the Projected Enrollment listed in Table 2. Table 5 outlines this calculation.

Table 5
Additional Seats Needed
As a Result of Future Units

School Level	Existing Capacity	Projected Enrollment	Additional Seats Needed
Elementary School (Grades TK-8)	1,983	3,452	1,469
Total	**1,983**	**3,452**	**NA**

D. Plan to Provide for District Facilities Needs

Though the District may house students generated from Future Units in existing facilities over the short term, the District plans to construct new school facilities.

The timing of these improvements is unknown and rely heavily on the District's ability to access both local and State funding for such projects and the pace of Future Residential Development. Table 6 outlines the number of facilities needed by the District.

Table 6
School Facility Needs
As a Result of Future Units

School Level	Additional Seats Needed	Facility Capacity	Number of Facilities Needed
Elementary School (Grades TK-8)	1,469	1,000	1.469

IV. Financial Impact of Residential Development

As outlined in Section III, Future Units are expected to generate additional enrollment for the District resulting in the need to construct new school facilities. This Section quantifies the financial impact of the additional enrollment resulting from Future Units.

A. Cost of School Facilities

In order to estimate the cost of school facilities, this Report utilizes estimates provided by the District for a new TK-8 school. The school facilities costs represent the full cost of site acquisition, site development, construction, furniture and equipment, as well as technology stated in 2026 dollars. The estimated site acquisition and facility construction costs are shown in Table 7. A more detailed breakdown of the costs is listed in Exhibit A.

Table 7
Estimated School Facilities Cost

School Level	Construction Cost Per Facility	Site Cost Per Facility	Total Cost Per Facility
Elementary School (Grades TK-8)	$246,368,250	$27,900,000	$274,268,250

The costs in Table 7 do not include costs associated with Central Administrative and Support Facilities. As indicated in Table 5, Future Units will cause the enrollment of the District to increase by approximately 3,452 students. Of these students, 1,469 do not have a seat at current school capacity levels. In accordance with the provisions of Chapter 341, Statutes of 1992, SB 1612, the SAB adopted a report on January 26, 1994, requiring approximately four (4) square feet of central administrative and support facilities for every student. As part of their 2021 FMP, the District commissioned an evaluation and cost estimate for the renovation of the existing District office. The project included both

the remodeling of existing buildings as well as the construction of permanent buildings to replace aging relocatables. The estimated cost to construct the project was $674.36 per square foot. For the purpose of this Report, we assume the District will not need to acquire additional land to accommodate the expansion of the District office. The cost estimate has been adjusted by the SAB index to reflect 2026 dollars. A more detailed breakdown of the costs is listed in Exhibit A.

B. Cost of Providing School Facilities

This Report determines the cost of providing school facilities to develop the Additional Seats Needed by (i) multiplying the number of facilities needed, listed in Table 6, by the Estimated School Facilities Cost, listed in Table 7 and (ii) multiplying the number of Additional Seats Needed listed in Table 5 by the Central Administrative and Support Facilities Cost per Student. Table 8 outlines the total cost of providing school facilities.

Table 8
Total Cost of Providing School Facilities
As a Result of Future Units

School Level	Number of Facilities/ Number of Students	Cost Per Facility/ Cost Per Student	School Facilities Cost Impact
Elementary School (Grades TK-8)	1.469	$274,268,250	$402,900,059
Central Administrative Impact [1]	1,469	$876.44	$1,287,490
Total Cost Impact			**$402,900,059**

[1] Assumes four (4) square foot per Additional Seat Needed

C. Cost of Providing School Facilities per Square Foot of Future Residential Development

To determine the cost of providing school facilities per square foot of Future Residential Development, this Report first divides the Total School Facilities Cost Impact by the number of Future Units. Table 9 shows the calculation of the School Facilities Cost Impact per Future Unit.

Table 9
Cost of Providing School Facilities
Per Future Units

Total School Facilities Cost Impacts	Future Units	School Facilities Cost Impact per Future Unit
$402,900,059	8,976	$44,886

The School Facilities Cost Impact per Future Unit is then divided by the expected average square footage of Future Units.

To determine the expected average square footage of a Future Unit this Report utilizes building permits issued within the boundaries of the District over the last five (5) fiscal years. Table 10 shows the cost of providing school facilities per square foot of Future Unit.

Table 10
Cost of Providing School Facilities
Per Square Foot of Future Unit

School Facilities Cost Impact per Future Unit	Average Square Footage	School Facilties Cost Impact Per Square Foot
$44,886	1,484	$30.24

V. Comparison of Impact and Residential School Fee Revenue

As noted in the introduction to this Report, the maximum level of School Fee that may be imposed by a school district on Future Residential Development is set by the SAB. In order to impose School Fees at this level, the District must demonstrate that the cost of providing school facilities equals or exceeds the amount of the School Fee to be imposed. This section compares the maximum School Fee that may be imposed by the District with the cost of providing school facilities per square foot of Future Residential Development as established in Section IV.

A. Maximum Residential School Fee

On January 28, 2026, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on residential development to $5.38 per square foot.

In the District's case they must share this maximum School Fee with the Sweetwater Union High School District ("High School District"), which provides education in grades 9 through 12 to students residing within the boundaries of the District. Based on the District's fee sharing agreement with the High School District, the District can collect 61 percent of the maximum School Fee with the balance being collected by the High School District. Table 11 shows the allocation of the current maximum School Fee.

Table 11
Allocation of Maximum Residential School Fee

School District	Percentage Share	Maximum Fee
San Ysidro School District (Grades TK-8)	61.00%	$3.28
Sweetwater Union High School District (Grade 9-12)	39.00%	$2.10
Total	**100.00%**	**$5.38**

B. Comparison of Impact and Maximum School Fee

This Report identifies in Section IV that the cost of providing school facilities per square foot of Future Residential Development is approximately $30.24. Since the current maximum School Fee is less than the cost of providing school facilities per square foot of Future Residential Development, the District is justified in imposing their portion of the maximum School Fee of $3.28 per square foot for all Future Residential Development within its boundaries.

VI. Financial Impact of Commercial/Industrial Development

This Section analyzes the financial impact on the District resulting from students that are generated by Future Commercial/Industrial Development.

Future Commercial/Industrial Development will attract additional workers to the District. Because some of those workers will have school-age children, such Future Commercial/Industrial Development will generate additional enrollment for the District. The District is also likely to experience additional enrollment as a result of new workers who do not live within the District's boundaries, but whose children attend the District's schools as a transfer student.

A. Employees Per 1,000 Square Feet

To identify the impact of Future Commercial/Industrial Development this Report must first estimate the number of employees that will be generated by such development.

1. **Employee Generation Rate -** As permitted by State law, this Report estimates the number of employees to be generated by Future Commercial/Industrial Development by utilizing the generation factors set forth by SANDAG. Table 12 shows these generation rates.

Table 12
Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Employees Per 1,000 Square Feet
Retail and Services	2.2371
Office	3.4965
Research and Development	3.0395
Industrial/Warehouse/Manufacturing	2.6954
Hospital	2.7778
Hotel/Motel	1.1325
Self-Storage	0.0643

Source: SANDAG

2. **Percentage of Employees Residing Within the District -** To accurately identify the number of employees that will reside within the District, this Report adjusts the Employee Generation Rates list in Table 12 to account for employees that may not live within the District.

   To estimate the percentage of employees that will reside within the District this Report utilizes data collected by the US Census Bureau measuring individual's commute time. Based on this information, approximately 15 percent of employees within the District are likely to reside within the District. Table 13 shows the Resident Employee Generation Rates.

Table 13
Resident Employee Generation Rates
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Employee Generation Rates	Employees Residing Within the District	Resident Employee Generation Rates
Retail and Services	2.2371	0.1510	0.3378
Office	3.4965	0.1510	0.5280
Research and Development	3.0395	0.1510	0.4590
Industrial/Warehouse/Manufacturing	2.6954	0.1510	0.4070
Hospital	2.7778	0.1510	0.4194
Hotel/Motel	1.1325	0.1510	0.1710
Self-Storage	0.0643	0.1510	0.0097

B. Household Impact

As noted in Section III, the SGFs calculated for the District is based on the number of students generated per housing unit. Therefore, this Report must convert the number of resident employees into the resulting number of new households to estimate the number of students to be generated.

1. **Average Number of Employees per Household -** To estimate the number of households to be generated by these resident employees, this Report utilizes information collected by the US Census Bureau. According to the US Census Bureau the average number of employed persons per household within the District is 1.4504.
2. **Household Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Household Impact per 1,000 Square Feet of Commercial/Industrial Development is calculated by dividing the Average Number of Employees per Household by the Resident Employee Generation Rates listed in Table 13. Table 14 summarizes this calculation.

Table 14
Household Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Resident Employee Generation Rate	Average Employees Per Household	Household Impact Per 1,000 Square Feet
Retail and Services	0.3378	1.4504	0.2329
Office	0.5280	1.4504	0.3640
Research and Development	0.4590	1.4504	0.3164
Industrial/Warehouse/Manufacturing	0.4070	1.4504	0.2806
Hospital	0.4194	1.4504	0.2892
Hotel/Motel	0.1710	1.4504	0.1179
Self-Storage	0.0097	1.4504	0.0067

C. Student Generation Impact

This Report recognizes that employees may impact the District in two (2) ways. First, some of the employees will reside within the District and have school aged children who attend the District's schools. Secondly, of those employees that do not reside within the District some will have school aged children who choose to attend the District's school as transfer students.

1. **Resident Student Generation Impact -** To estimate the number of resident students to be generated per 1,000 Square Feet of Commercial/Industrial Development this Report multiplies the SGFs, outlined in Section III, by the Household Impacts listed in Table 14. The resulting Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development is listed Table 15.

Table 15
Resident Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-8)
Retail and Services	0.0896
Office	0.1400
Research and Development	0.1217
Industrial/Warehouse/Manufacturing	0.1079
Hospital	0.1112
Hotel/Motel	0.0453
Self-Storage	0.0026

2. **Inter-District Transfer Student Generation Impact -** To estimate the number of inter-district transfer students that may be generated, this Report utilizes enrollment data of the District. The total number of inter-district transfer students attending District schools was divided by the total number of employed persons within the District, as estimated by the US Census Bureau. This calculation is summarized in Table 16.

Table 16
Inter-District Transfer Rate Per Employee

Item	Elementary School (Grades TK-8)
Number of Employed Persons	15,838
Number of Inter-District Transfers	218
Inter-District Transfers Per Employee	**0.0138**

3. **Total Student Generation Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Inter-District Transfer Rates, listed in Table 17, were multiplied by the Employee Generation Rates in Table 12 to calculate Inter-District Transfer Rates per 1,000 Square Feet of Future Commercial/Industrial Development. These Inter-District Transfer Rates were added to the Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development, listed in Table 15, to calculate the Total Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development list in Table 17.

Table 17
Total Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-8)
Retail and Services	0.1204
Office	0.1882
Research and Development	0.1636
Industrial/Warehouse/Manufacturing	0.1451
Hospital	0.1495
Hotel/Motel	0.0610
Self-Storage	0.0035

D. Cost of Providing School Facilities

To calculate the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development, this Report calculates the cost impact per student using the information listed in Table 7 and multiplies the per student cost by the Total Student Generation Impacts listed in Table 17. Table 18 outlines the resulting Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development.

Table 18A
Cost of Providing School Facilities
Per Student

School Level	Facility Cost	Facility Capacity	Facility Cost Per Student
Elementary School (Grades TK-8)	$274,268,250	1,000	$274,268
Central Administrative Impact			$876

Table 18B
Cost of Providing School Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-8)
Retail and Services	$33,137.23
Office	$51,790.75
Research and Development	$45,019.00
Industrial/Warehouse/Manufacturing	$39,924.49
Hospital	$41,147.32
Hotel/Motel	$16,775.00
Self-Storage	$953.07

E. Residential School Fee Revenue Offset

A portion of the Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development will be mitigated through the collection of School Fees from Future Residential Development. To estimate the amount of these School Fees that will be collected, this Report multiplies the estimated average square footage of a Future Unit, by the District's Residential School Fee of $3.28. This amount is then multiplied by the Household Impacts listed in Table 14. Table 19 outlines this calculation.

Table 19
Residential School Fee Revenue
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Household Impact	Statutory School Fees	Residential Revenue
Retail and Services	0.2329	$4,871.80	$1,134.64
Office	0.3640	$4,871.80	$1,773.33
Research and Development	0.3164	$4,871.80	$1,541.44
Industrial/Warehouse/Manufacturing	0.2806	$4,871.80	$1,367.03
Hospital	0.2892	$4,871.80	$1,408.92
Hotel/Motel	0.1179	$4,871.80	$574.39
Self-Storage	0.0067	$4,871.80	$32.64

The Residential School Fee Revenue per 1,000 Square Feet of Commercial/Industrial Development listed in Table 19 is then subtracted from Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development identified in Table 18B to calculate the Remaining Cost of Providing Facilities per 1,000 Square Feet of Commercial/Industrial Development. Table 20 outlines this calculation.

Table 20
Remaining Cost of Providing Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Cost of Providing School Facilities	Residential School Fee Revenue	Remaining Cost of Providing School Facilities
Retail and Services	$33,137.23	$1,134.64	$32,002.59
Office	$51,790.75	$1,773.33	$50,017.42
Research and Development	$45,019.00	$1,541.44	$43,477.56
Industrial/Warehouse/Manufacturing	$39,924.49	$1,367.03	$38,557.46
Hospital	$41,147.32	$1,408.92	$39,738.40
Hotel/Motel	$16,775.00	$574.39	$16,200.61
Self-Storage	$953.07	$32.64	$920.43

VII. Comparison of Impact and Commercial/Industrial Fee Revenues

As with Future Residential Development the maximum level of School Fee that may be imposed by a school district on Future Commercial/Industrial Development is set by the SAB. In order to impose School Fees at the maximum level the District must demonstrate that the cost of providing school facilities does not exceed the amount of the School Fees to be imposed. This section compares the maximum School Fee that may be imposed by the District, with the cost of providing school facilities as a result of Commercial/Industrial Development, as established in Section V.

A. Maximum Commercial/Industrial School Fee

On January 28, 2026, the SAB approved an increase to the maximum School Fee that may be imposed by a unified school district on commercial/industrial development to $0.87 per square foot.

In the District's case they must share this maximum School Fee with the Sweetwater Union High School District ("High School District"), which provides education in grades 9 through 12 to students residing within the boundaries of the District. Based on the District's fee sharing agreement with the High School District, the District can collect 61 percent of the maximum School Fee with the balance being collected by the High School District. Table 21 shows the allocation of the current maximum School Fee.

Table 21
Allocation of Maximum
Commercial/Industrial School Fee

School District	Percentage Share	Maximum Fee
San Ysidro School District (Grades TK-8)	61.00%	$0.53
Sweetwater Union High School District (Grades 9-12)	39.00%	$0.34
Total	**100.00%**	**$0.87**

B. Comparison of Financial Impact and Maximum School Fee

This Report identified in Section VI that the Remaining Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development ranges from $920.43 to $50,017.42. Table 22 compares these costs to the maximum School Fee for Commercial/Industrial Development.

Table 22
Comparison of Remaining Cost of Providing School Facilities
And Maximum School Fee for Commercial/Industrial Development

Commercial/Industrial Category	Remaining Cost of School Facilities		Maximum School Fee	Justified School Fee
	Per 1,000 Square Feet	Per Square Foot		
Retail and Services	$32,002.59	$32.00	$0.53	$0.53
Office	$50,017.42	$50.02	$0.53	$0.53
Research and Development	$43,477.56	$43.48	$0.53	$0.53
Industrial/Warehouse/Manufacturing	$38,557.46	$38.56	$0.53	$0.53
Hospital	$39,738.40	$39.74	$0.53	$0.53
Hotel/Motel	$16,200.61	$16.20	$0.53	$0.53
Self-Storage	$920.43	$0.92	$0.53	$0.53

Since the District's share of the current maximum School Fee is less than the Remaining Cost of Providing School Facilities per Square Foot of Commercial/Industrial Development in each category, the District is justified in imposing a School Fee of $0.53 per square foot for all Future Commercial/Industrial Development within its boundaries.

C. Senior Housing

As it relates to the imposition of developer fees upon senior citizen housing projects, Section 65995.1(a) of the Government Code reads as follows:

Notwithstanding any other provision of law, as to any development project for the construction of senior citizen housing, as described in section 51.3 of the Civil Code, a residential care facility for the elderly as described in subdivision (k) of Section 1569.2 of the Health and Safety Code[1], or a multilevel facility for the elderly as described in paragraph (9) of subdivision (d) of Section 15432, any fee charge, dedication or other

requirement that is levied under Section 53080[2] may be applied only to new construction and is subject to the limits and conditions applicable to under subdivision (b) of Section 65995 in the case of commercial or industrial development.

[1] Although described in subdivision (k), definition found under subdivision (o) and (p).
[2] Government Code section 53080 was revised to Education Code section 17620.

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 also acknowledges that students typically do not reside in senior citizen housing units unless the CC&Rs permit such living arrangements. However, the development of such housing generally generates jobs for facilities maintenance and administration, and in the case of assisted care living situations, health professionals. These jobs may be filled by persons living either within the boundaries of the District or outside the boundaries of the District. In either case, the employees may enroll their students in the District. As a result, some students may be generated as a result of the development of new senior citizen housing.

The District acknowledges Section 65995.1 and will levy developer fees on any senior citizen housing projects at a commercial/industrial rate of $0.53 per square foot. The 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 developer fees being levied on residential development per square foot should such CC&Rs or deed(s) be modified to allow students to reside 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 rate. Such cooperation could take the form of an agreement by the developer to record a condition upon

the property that then current residential fees would be due to be paid should the residency requirements change so as to allow students to reside on the property.

VIII. Conclusion and Statement of Findings

Based on the findings of this School Facilities Fee Justification Report ("Report"), the San Ysidro School District ("District") is justified in collecting their portion of the legal maximum fee ($5.38) which is $3.28 per square foot of residential development as authorized by Government Code Section 65995, as future residential development creates a school facility cost impact greater than the legal maximum fee. The District is also justified in collecting their portion of the legal maximum fee ($0.87) which is $0.53 per square foot of commercial/industrial development on all categories of commercial/industrial development.

The findings of this Report are based on the following:

- According to SANDAG there are 8,976 residential units planned to be built within the District.
- These residential units are expected to generate 3,452 students. The District expects these students will require the District to construct new school facilities.
- Each square foot of future residential development creates an estimated school facility cost impact of $30.24.
- If the District collects their portion of the maximum school fee which is $3.28, fee revenue will offset about 10.85 percent of the school facility cost impact of such residential development.
- Future commercial/industrial development will create the need for additional school facilities by increasing the number of households within the District and the number of inter-district transfer students.
- After accounting for the collection of the maximum school fee from residential development the remaining school facilities cost impact of commercial/industrial development ranges between $0.92 - $50.02 per square foot depending on the category of development.
- If the District collects their portion of the maximum school fee which is $0.53 per commercial/industrial square foot, fee revenue will offset between 1.06 – 57.61 percent of the school facility cost impact of such development.

Exhibit A

Facility Cost Estimates

San Ysidro School District
Estimated Cost
TK-8 School Facility

A. Site				**$27,900,000**
	Site Purchase Price		$27,500,000	
	Acres	22.00		
	Cost Per Acre	$1,250,000		
	DTSC Fees		$100,000	
	Environmental Assessments		$300,000	
B. Planning Costs				**$20,400,000**
	Architect's Fee	$16,150,000		
	DSA Fees	$2,125,000		
	CDS Fees	$850,000		
	Preliminary Tests	$850,000		
	Other Costs	$425,000		
C. Construction				**$192,525,000**
	Main Construction Contractor	$170,000,000		
	Construction Management Fees	$11,050,000		
	Other Costs	$4,250,000		
	Construction Tests	$1,275,000		
	Construction Inspection	$5,950,000		
D. Furniture and Equipment				**$5,100,000**
	Materials & Supplies <$500	$5,100,000		
E. Contingency				**$28,343,250**
	Project Contingency	$28,343,250		
F. Total Estimated Cost				**$274,268,250**
	School Facility Capacity			**1,000**
	School Facility Cost Per Student			**$274,268**