RESIDENTIAL AND COMMERCIAL/INDUSTRIAL DEVELOPMENT SCHOOL FEE JUSTIFICATION STUDY

SANTA ANA UNIFIED SCHOOL DISTRICT

MAY 19, 2026

Prepared For:
Santa Ana Unified School District
1601 E. Chestnut Avenue
Santa Ana, CA 92701
714.558.5501

Prepared By:

DISTRICT ADVISORS

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EXECUTIVE SUMMARY

This Residential and Commercial/Industrial Development School Fee Justification Study ("Study") demonstrates the nexus established in the Santa Ana Unified School District ("School District") between residential development 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 as a result of residential development and CID, pursuant to the provisions of Education Code Section 17620 et seq., as well as Government Code Sections 65995 et seq. and 66000 et seq.

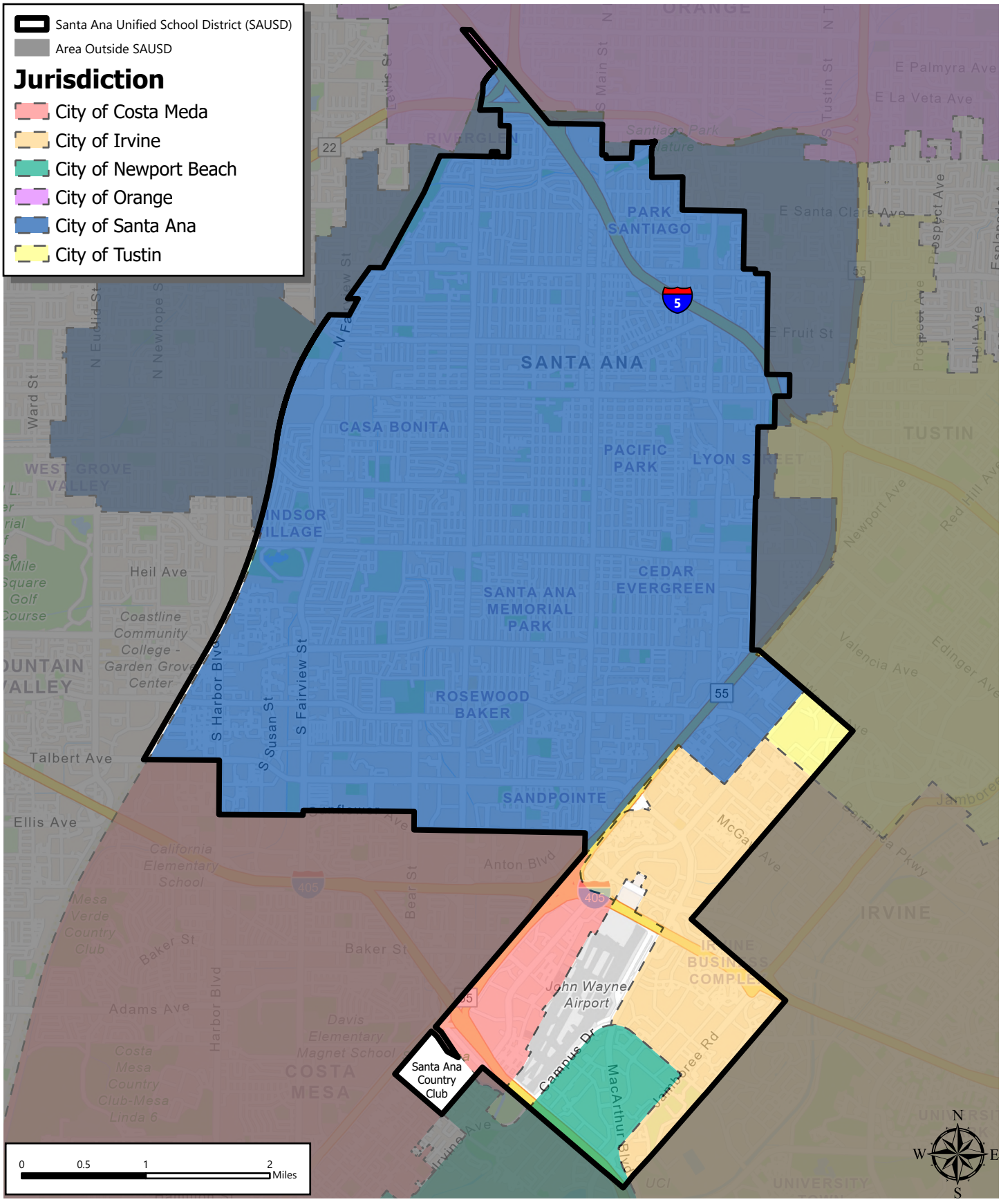
The School District provides education to students in grades TK through 12 residing within all or portions of the cities of Costa Mesa, Irvine, Newport Beach, Santa Ana, and Tustin (collectively, “Cities ") and a portion of the unincorporated County of Orange ("County"). Please see map on following page for a geographic profile of the School District. Collectively, the School District's school facilities in school year 2025/26 have a capacity of 61,112 students per the most recent Facilities Master Plan of the School District (https://sausdplan.org/chapters/students-dashboards#enrollment-trends-2) Based on data provided by the School District, student enrollment is 33,750 in school year 2025/26. Comparing student enrollment to facilities capacity reveals that facilities capacity exceeds student enrollment at all school levels in school year 2025/26 (please see Section IV for more information on student enrollment and facilities capacity).

Residential School Fee

To establish a nexus and a justifiable residential School Fee, the Study evaluated the number and cost of new facilities required to house students generated from future residential development within the School District and maintain existing levels of service related to increased demand on school facilities. Based on data gathered for the preparation of long-term enrollment projections for the School District by PowerSchool, approximately 7,601 additional residential units are expected to be constructed within the School District's boundaries through school year 2035/36 ("Future Units").

SANTA ANA UNIFIED SCHOOL DISTRICT

GEOGRAPHIC PROFILE



To determine the impact on the School District from Future Units, the Study first multiplied the number of Future Units by the student generation factors ("SGFs") calculated by DistrictAdvisors, to determine the projected student enrollment from Future Units. To adequately house the projected students, the School District will need to reconstruct and modernize its existing elementary school, middle school and high school facilities. Based on modernization costs provided by the School District through its facilities master plan, DistrictAdvisors estimates a modernization cost of $56,576 per seat at the elementary school level, $85,985 per seat at the middle school level and $86,416 per seat at the high school level. Multiplying these costs by 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 (2026$)

School Levels	Cost Per Student	Students Generated	Total School Facilities Cost Impacts
Elementary School Modernization	$56,576	841	$47,580,416
Middle School Modernization	$85,985	488	$41,960,680
High School Modernization	$86,416	767	$66,281,072
Total	**N/A**	**N/A**	**$155,822,168**

The school facilities cost impacts were divided by the number of Future Units to calculate the school facilities cost impacts per residential unit. Table ES-2 lists the school facilities cost impacts per residential unit.

TABLE ES-2

SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL UNIT (2026$)

Land Use	Total School Facilities Cost Impacts	Future Units	School Facilities Cost Impacts per Residential Unit
Future Units	$155,822,168	7,601	$20,500

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

TABLE ES-3

SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL SQUARE FOOT (2026$)

Land Use	School Facilities Cost Impacts per Residential Unit	Average Square Footage	School Facilities Cost Impacts per Residential Square Foot
Future Units	$20,500	1,400	$14.64

On January 28, 2026, the SAB increased the maximum Residential School Fees authorized by Section 17620 of the Education Code from $5.17 to $5.38 per residential building square foot for unified school districts. Since the School District's current maximum School Fee is less than the school facilities cost impacts per square foot, as shown in Table ES-3, the School District is fully justified in levying $5.38 per square foot for all new residential development within its boundaries, which represents the maximum residential School Fee subject to the limitations under the law.

Commercial/Industrial School Fee

To determine the commercial/industrial School Fee, the Study divides CID into seven (7) land use categories: retail and services, office, research and development, industrial/warehouse/manufacturing, hospital, hotel/motel, and self-storage. 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 Section 17621(e)(1)(B) of the Education Code. These employee impacts are shown in Table ES-4.

TABLE ES-4

EMPLOYMENT IMPACTS PER 1,000 SQUARE FEET OF CID

CID Land Use Category	Square Feet per Employee	Employees per 1,000 Square Feet
Retail and Services	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

Additional data from the California Employment Development Department, the U. S. Bureau of Census ("Census"), and recent home sale data from Zillow 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, results in estimates of school facilities cost impacts. Collectively, this calculation represents the total school facilities cost impacts per 1,000 square feet of commercial/industrial floor space, expressed in 2026 dollars. These results are summarized in Table ES-5.

TABLE ES-5

GROSS SCHOOL FACILITIES COST IMPACTS PER HOUSEHOLD (2026$)

School Levels	Total Student Generation Impacts	Cost per Student	Gross School Facilities Cost Impacts per Household
Elementary School	0.0039	$56,576	$220.65
Middle School	0.0022	$85,985	$189.17
High School	0.0041	$86,416	$354.31
Impact per Household	**N/A**	**N/A**	**$764.13**

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 proposed residential School Fee of $5.38 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-6.

TABLE ES-6

NET SCHOOL FACILITIES COST IMPACTS PER HOUSEHOLD (2026$)

Item	Amount
Impact per Household	$764.13
Residential Revenues per Household	$14.31
Net School Facilities Cost Impacts per Household	**$749.82**

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-7.

TABLE ES-7

NET SCHOOL FACILITIES COST IMPACTS PER SQUARE FOOT OF CID (2026$)

CID Land Use Category	Net Impact per Household	Square Feet per Employee	Cost Impact per Square Foot of CID
Retail and Services	$749.82	447	$1.677
Office	$749.82	286	$2.622
Research and Development	$749.82	329	$2.279
Industrial/Warehouse/Manufacturing	$749.82	371	$2.021
Hospital	$749.82	360	$2.083
Hotel/Motel	$749.82	883	$0.849
Self-Storage	$749.82	15,552	$0.048

On January 28, 2026, the SAB increased the maximum CID School Fees authorized by Section 17620 of the Education Code from $0.84 to $0.87 per CID square foot for unified school districts. Justification of the CID School Fee is based on a comparison of cost impacts per CID square foot, as shown in Table ES-7, against the maximum CID Fee per square foot as noted above. As shown in Table ES-8, the School District is justified in levying:

TABLE ES-8

MAXIMUM SCHOOL FEE PER SQUARE FOOT OF CID

CID Land Use Category	Maximum School Fee
Retail and Services	$0.870
Office	$0.870
Research and Development	$0.870
Industrial/Warehouse/Manufacturing	$0.870
Hospital	$0.870
Hotel/Motel	$0.849
Self-Storage	$0.048

I. INTRODUCTION

Senate Bill ("SB") 50 (1998) was enacted on November 4, 1998, following the approval of Proposition 1A by the voters of the State on November 3,1998. SB 50 includes provisions for the following:

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

Since the passage of Proposition 1A in 1998, voters in the State of California have passed an additional $47.73 billion in State general obligation bonds to fund TK-12 school facilities.

The Mira-Hart-Murrieta Decisions, which formerly permitted school districts to collect mitigation payments in excess of School Fees under certain circumstances, are currently suspended. 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 qualify to charge Alternative Fees.

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 law. 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 facilities of the District, and determining the extent to which a nexus exists between said development and the need for school facilities and the cost of school facilities. This Study also considers the ability of the 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 Assembly Bill 2926 and Assembly Bill 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation are summarized below:

A. AB 2926

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

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

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

B. AB 1600

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

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.

4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.

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

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of Shapell Industries vs. Milpitas Unified School District (1991) 1 Cal.App.4th 218 [other points of law superseded by constitutional amendment].) The Study will provide information necessary to establish such a nexus between School Fees and residential development.

C. AB 181

AB 181 made significant changes in several State Codes, including Sections 53080 et seq. of the Government Code which was subsequently re-codified as Sections 17620 et seq. of the Education Code 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 that wish to levy 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."

3. 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.

4. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.

5. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the governing board of a school district. 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.

In summary, AB 181 establishes additional requirements which must be satisfied by school districts prior to their levying School Fees on CID.

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 law, as further informed by local school board policy, preferences, and educational specifications for school design, which evolve over time.

III. METHODOLOGY OF STUDY

The School District is projecting an increase in student enrollment attributable to new development in future years. This projected growth will create a demand for new school facilities (including site acquisition and Central Administrative and Support Facilities) to be constructed within the School District, as well as a need to refurbish existing facilities to maintain existing levels of service due to increased demand, and the need to incur significant school facilities costs to meet that demand. As a result, the School District has determined that School Fees should be levied on new development projects in accordance with state law.

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 for 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 school 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 reconstruction of school facilities.

5. School Fee requirements – The School District's need to levy School Fees to cover the cost of school facilities.

The above linkages result in a series of impacts which (i) connect new residential development with increased school facilities costs and (ii) connect School Fees per 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 amount of the School Fee 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 which (i) connect new CID with increased school facilities costs and (ii) connect increased school facilities costs with School Fees per assessable 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:

a. Employment Impacts
b. Household Impacts
c. Student Generation Impacts
d. School Facilities Cost Impacts
e. 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

RETAIL AND SERVICES

The retail and services category includes commercial establishments which 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 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.

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 more than one of 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, school year 2025/26 student enrollment and school facilities capacity of the School District were evaluated.

Collectively, the School District's school facilities in school year 2025/26 have a capacity of 61,112 students per the District's Facilities Master Plan (https://sausdplan.org/chapters/students-dashboards#enrollment-trends-2). The enrollment of the School District in school year 2025/26 is 33,750 students. As shown in Table 1 below, facilities capacity exceeds student enrollment at all school levels in school year 2025/26.

TABLE 1

EXISTING SCHOOL FACILITIES CAPACITY AND STUDENT ENROLLMENT

School Levels	2025/26 Facilities Capacity	2025/26 Student Enrollment	Excess/(Shortage) Capacity
Elementary School (Grades TK-5)	29,900	16,604	13,296
Middle School (Grades 6-8)	12,852	5,284	7,568
High School (Grades 9-12)	18,360	11,862	6,498
Total	**61,112**	**33,750**	**27,362**

Due to the age of the School District's facilities and current conditions, the School District will need to perform reconstruction and modernization work for its existing facilities to adequately house students generated from Future Units. These reconstruction needs will also be discussed in Section V.

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 is to determine the number of Future Units to be constructed within the School District's boundaries. Based on information gathered by PowerSchool in the preparation of long-term enrollment projections, the School District expects the construction of approximately 7,601 Future Units through school year 2035/36. Table 2 summarizes the Future Units.

TABLE 2

FUTURE UNITS

Land Use	Total Future Units
Future Units	7,601

B. RESIDENTIAL RECONSTRUCTION

Reconstruction is the act of demolishing existing structures and subsequently replacing them with new construction ("Reconstruction"). Reconstruction may have an alternative land use (i.e., commercial/industrial versus residential) or 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.

C. 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 the 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 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.

D. STUDENT GENERATION FACTORS PER RESIDENTIAL UNIT

In order to analyze the impact on the School District's student enrollment from Future Units, DistrictAdvisors calculated SGFs for all existing SFD and MFA units which have been constructed within the School District. The process of determining SGFs involved cross-referencing the School District's enrollment data against the County Assessor's 2025/26 residential data for the School District.

Sorting and extracting the County Assessor's records by land use, DistrictAdvisors developed a database of 25,929 SFD units. This database was then compared with the School District's student enrollment database to identify address matches. Upon comparison of the two (2) databases, 16,155 student matches were found, resulting in the SGFs shown in Table 3.

TABLE 3

STUDENT GENERATION FACTORS FOR SINGLE FAMILY DETACHED UNITS

School Level	Students Matched	Single Family Detached Units	Student Generation Factors
Elementary School	6,993	25,929	0.2697
Middle School	3,698	25,929	0.1426
High School	5,464	25,929	0.2107
Total	**16,155**	**N/A**	**0.6230**

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 12,485 students matched to the MFA database which consisted of 49,294 units. The resulting SGFs for MFA units are shown in Table 4.

TABLE 4

STUDENT GENERATION FACTORS FOR MULTI-FAMILY ATTACHED UNITS

School Level	Students Matched	Multi-Family Attached Units	Student Generation Factors
Elementary School	4,990	49,294	0.1012
Middle School	2,922	49,294	0.0593
High School	4,573	49,294	0.0928
Total	**12,485**	**N/A**	**0.2533**

However, due to incomplete and incorrect address information in both the student enrollment and residential databases, DistrictAdvisors was unable to match all of the School District's students. The results are SGFs that understate the number of students generated by SFD and MFA units. After accounting for incoming interdistrict students that reside outside of the School District's boundaries, there were 2,634 unmatched students. Because of this, DistrictAdvisors proportionally apportioned these unmatched students to the SGFs listed in Tables 3 and 4 based on a rate which considered the number of students successfully matched to a school level and land use, resulting in adjusted SGFs greater than those identified in Tables 3 and 4. The adjusted SGFs for each land use by school level are shown in Table 5.

TABLE 5

STUDENT GENERATION FACTORS

School Level	Single Family Detached Units	Multi-Family Attached Units
Elementary School	0.2949	0.1107
Middle School	0.1544	0.0642
High School	0.2293	0.1009
Total	**0.6786**	**0.2758**

E. SCHOOL DISTRICT FACILITIES REQUIREMENTS

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

TABLE 6

PROJECTED STUDENT ENROLLMENT FROM FUTURE UNITS

School Level	Projected Student Enrollment from Future Units
Elementary School	841
Middle School	488
High School	767
Total	**2,096**

As indicated in Section IV, sufficient existing capacity is available to accommodate the Projected Student Enrollment without the need for new school construction. Therefore, the Projected Unhoused Students are less than the Projected Student Enrollment. Table 7 shows Projected Unhoused Students for the School District. The Projected Unhoused Students identified in Table 7 below do not account for the School District's need to reconstruct and modernize its existing facilities to continue to accommodate student enrollment from Future Units. That impact will be discussed further below. Additionally, due to the location of planned development in relation to the location of existing school facilities capacity, the School District may need to construct additional facilities in the future to accommodate enrollment from Future Units. At this time, those costs are not being included in the Study.

TABLE 7

PROJECTED UNHOUSED STUDENTS FROM FUTURE UNITS

School Level	Projected Student Enrollment from Future Units	Surplus Seats	Projected Unhoused Students from Future Units
Elementary School	841	13,296	0
Middle School	488	7,568	0
High School	767	6,498	0
Total	**2,096**	**27,362**	**0**

F. SCHOOL DISTRICT FACILITIES COSTS

As mentioned in Section IV, due to the age and condition of existing facilities, the School District will need to perform reconstruction and modernization work at all school levels to adequately house students generated from Future Units. The School District has prepared a Facilities Master Plan that identifies planned improvements at each of its campuses with estimated costs associated with those plans. To determine the reconstruction cost impact of students generated from Future Units, DistrictAdvisors divided total reconstruction cost estimates from the Facilities Master Plan of the School District (https://www.sausdplan.org/chapters/recommendations) by the total number of students expected to utilize facilities of the School District. Based on cost information provided by the School District, DistrictAdvisors estimates the cost of reconstruction and modernization to be $56,576 per seat at the elementary school level, $85,985 per seat at the middle school level and $86,416 per seat at the high school level.

G. TOTAL SCHOOL FACILITIES COST IMPACTS

To determine the total school facilities cost impacts caused by Future Units, DistrictAdvisors multiplied the Projected Student Enrollment by the estimated modernization cost per student. Table 8 illustrates the total school facilities cost impacts from future residential development.

TABLE 8

TOTAL SCHOOL FACILITIES COST IMPACTS FROM FUTURE UNITS (2026$)

School Level	Cost Per Student	Students Generated	Total School Facilities Cost Impacts
Elementary School Modernization	$56,576	841	$47,580,416
Middle School Modernization	$85,985	488	$41,960,680
High School Modernization	$86,416	767	$66,281,072
Total	**N/A**	**N/A**	**$155,822,168**

H. 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 shown in Table 8 were then divided by the number of Future Units to determine school facilities cost impacts per unit. These impacts are shown in Table 9.

TABLE 9

TOTAL SCHOOL FACILITIES COST IMPACTS PER FUTURE UNIT (2026$)

Land Uses	Total School Facilities Cost Impacts	Future Units	School Facilities Cost Impacts per Residential Unit
Future Units	$155,822,168	7,601	$20,500

I. 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 9 were divided by the average square footage of such type of residential unit. Using square footage information for units constructed within the School District obtained from the County Assessor, DistrictAdvisors estimates that the average square footage of a Future Unit is projected to be 1,400 square feet. Table 10 shows the school facilities cost impacts per square foot of residential construction in the School District.

TABLE 10

TOTAL SCHOOL FACILITIES COST IMPACTS PER RESIDENTIAL SQUARE FOOT (2026$)

Land Uses	School Facilities Cost Impacts per Residential Unit	Average Square Footage	School Facilities Cost Impacts per Square Foot
Future Units	$20,500	1,400	$14.64

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 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 11.

TABLE 11

SQUARE FEET PER EMPLOYEE OF CID

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

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 is calculated based on information obtained from the Employment Development Department. Based on this information, the total household impacts are 1.861 employees per household within the School District.

2. Employed Persons Living within the School District

   To determine the number of employed persons who live within the School District, DistrictAdvisors utilized data from the Census. Based on this data, approximately 19.87 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 School District's boundaries, new home sales in the School District are estimated to equal 1.81 percent of the total housing units which will experience occupant turnover in the future.

4. Total Household Impact

   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 12.

TABLE 12

TOTAL HOUSEHOLD IMPACTS FROM NEW CID

Household Impact	Factor
Households per Employee	0.5373
Employees Living within the School District	19.87%
Households with Employees Working within the School District	**0.1068**
Propensity to Occupy New Homes	1.81%
Total Household Impacts	**0.0019**

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

   To analyze household formation resulting from 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 13.

TABLE 13

BLENDED STUDENT GENERATION FACTOR

School Level	Student Generation Factor
Elementary School	0.1107
Middle School	0.0642
High School	0.1009

2. Total Student Generation Impacts

Multiplying total household impacts shown in Table 12 by the blended SGFs shown in Table 13 results in the average student generation impacts. These average student generation impacts are shown by school level in Table 14.

TABLE 14

AVERAGE STUDENT GENERATION IMPACTS

School Level	Student Generation Factor	Total Household Impacts	Average Student Generation Impacts
Elementary School	0.1107	0.0019	0.0002
Middle School	0.0642	0.0019	0.0001
High School	0.1009	0.0019	0.0002

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 2025/26 total 2,588. Employment within the School District's area is estimated at 264,882 persons based on employment estimates provided by the Employment Development Department. Table 15 shows the inter-district transfer impacts by school level.

TABLE 15

INTER-DISTRICT TRANSFER IMPACTS

School Level	Inter-District Transfer Impacts
Elementary School	0.0037
Middle School	0.0021
High School	0.0039

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 14 are added to the inter-district transfer impacts from Table 15. The resulting total student generation impacts are displayed in Table 16.

TABLE 16

TOTAL STUDENT GENERATION IMPACTS

School Level	Average Student Generation Impacts	Inter-District Transfer Impacts	Total Student Generation Impact
Elementary School	0.0002	0.0037	0.0039
Middle School	0.0001	0.0021	0.0022
High School	0.0002	0.0039	0.0041

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. The school facilities costs per student are the average cost impact produced by students generated from Future Units. This impact estimate is derived from the school facilities costs (Table 8) divided by the Projected Student Enrollment from 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 17.

TABLE 17

GROSS SCHOOL FACILITIES COST IMPACTS PER HOUSEHOLD (2026$)

School Level	Total Student Generation Impact	Cost per Student	Gross School Facilities Cost Impacts per Household
Elementary School	0.0039	$56,576	$220.65
Middle School	0.0022	$85,985	$189.17
High School	0.0041	$86,416	$354.31
Total	**N/A**	**N/A**	**$764.13**

G. FEE REVENUES

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 $5.38 per square foot multiplied by the School District's weighted average square footage for residential units of 1,400 square feet. Based on this calculation, the residential revenues per unit in the School District are estimated to be $7,532. Multiplying the total household impact shown in Table 12 by residential revenues results in the residential revenues per student shown in Table 18.

TABLE 18

RESIDENTIAL REVENUES PER HOUSEHOLD (2026$)

Item	Amount
Revenue per Residential Unit	$7,532
Total Household Impact	0.0019
Residential Revenue per Household	**$14.31**

2. Net School Facilities Cost Impacts

To calculate the net school facilities cost impacts per grade level, the residential revenues shown in Table 18 were subtracted from the gross school facilities cost impacts shown in Table 17. The results are the net school facilities cost impacts that must be funded by CID School Fees, as shown in Table 19.

TABLE 19

NET SCHOOL FACILITIES COST IMPACTS PER HOUSEHOLD (2026$)

Item	Amount
Gross School Facilities Cost Impacts per Household	$764.13
Residential Revenue per Household	$14.31
Net School Facilities Cost Impacts per Household	**$749.82**

H. JUSTIFICATION OF COMMERCIAL/INDUSTRIAL SCHOOL FEES

Dividing net school facilities cost impacts shown in Table 19 by the total square feet per employee for each land use category, as shown in Table 11, results in the CID impacts shown in Table 20.

TABLE 20

SCHOOL FACILITIES COST IMPACTS PER CID SQUARE FOOT (2026$)

Land Uses	Net Impact per Household	Square Feet per Employee	Cost Impact per Square Foot of CID
Retail and Services	$749.82	447	$1.677
Office	$749.82	286	$2.622
Research and Development	$749.82	329	$2.279
Industrial/Warehouse/Manufacturing	$749.82	371	$2.021
Hospital	$749.82	360	$2.083
Hotel/Motel	$749.82	883	$0.849
Self-Storage	$749.82	15,552	$0.048

VII. CONCLUSION

On January 28, 2026, the SAB increased the maximum Residential and CID School Fees authorized by Section 17620 of the Education Code from $5.17 to $5.38 per residential building square foot, and from $0.84 to $0.87 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:

A. RESIDENTIAL FEES

As shown in Table 10, the impact per residential square foot exceeds the maximum residential School Fee of $5.38 per square foot. Therefore, the School Fees would provide less than 100 percent of the school facilities cost impacts. The Study concludes the School District is fully justified in levying the maximum residential School Fee of $5.38 per square foot 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 21 on new residential construction.

TABLE 21

MAXIMUM JUSTIFIED STATUTORY RESIDENTIAL SCHOOL FEE PER SQUARE FOOT (2026$)

Residential Land Use	Residential Fee per Square Foot
Future Unit	$5.38

B. COMMERCIAL/INDUSTRIAL FEES

As shown in Table 20, the impact per CID square foot exceeds the maximum CID School Fee of $0.87 per square foot for all CID land use categories except for Hotel/Motel and Self-Storage. Based on this information, the School District is justified in charging the School Fee amounts shown in Table 22 on new CID construction.

TABLE 22

MAXIMUM JUSTIFIED STATUTORY CID SCHOOL FEE PER SQUARE FOOT (2026$)

CID Land Use Category	CID Fee per Square Foot
Retail and Services	$0.870
Office	$0.870
Research and Development	$0.870
Industrial/Warehouse/Manufacturing	$0.870
Hospital	$0.870
Hotel/Motel	$0.849
Self-Storage	$0.048