



School Facilities Fee Justification Report

Prepared Pursuant to Government Code Section 66001

October 15, 2026

Orange Unified 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

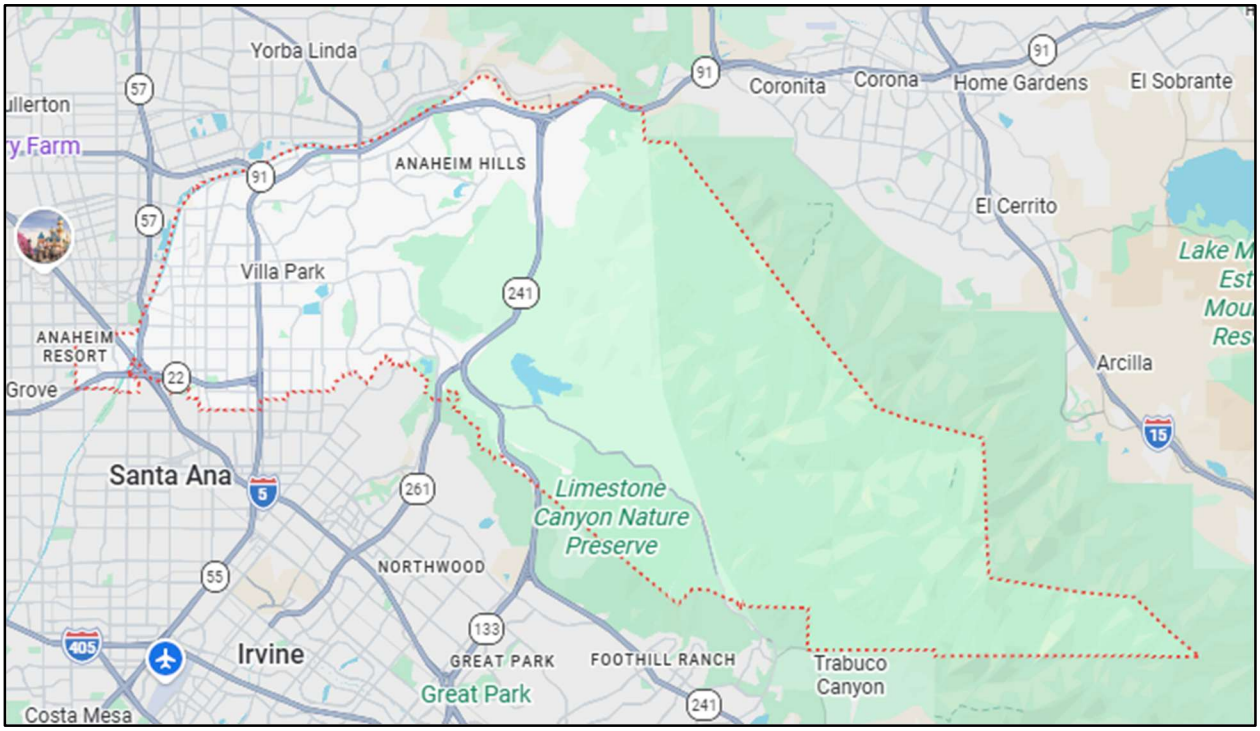
- Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the school district's accounts five (5) or more years after it was collected.

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 Orange Unified School District ("District").

II. The School District

The District has a student population of approximately 22,400 students and serves Transitional Kindergarten ("TK") through 12th grade students in the eastern portion of the County of Orange ("County"). The District's boundaries reside within a portion of the cities of Anaheim, Garden Grove, Irvine, Santa Ana, and Tustin (collectively, "Cities").

Orange Unified School District
Boundary Map



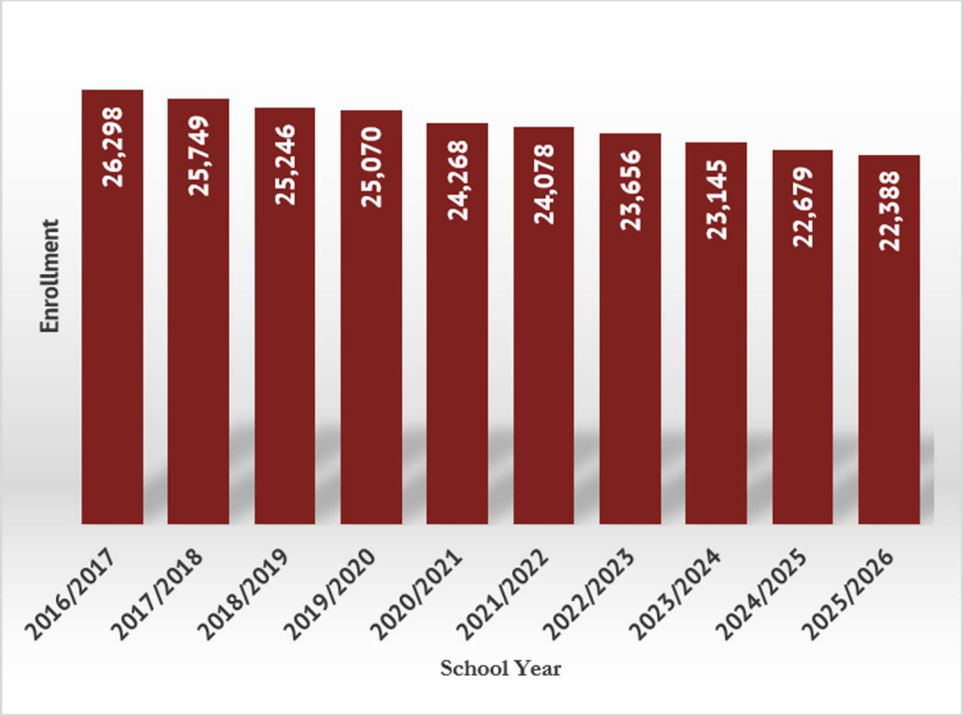
III. District Facilities Needs

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. However, based on projected residential development, the District can expect to experience enrollment growth in the future. 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.

      The Southern California Association of Governments ("SCAG") provided estimated housing units existing in 2026 and to exist in 2050 based on their 2024 Connect SoCal Regional Transportation Plan. *KeyAnalytics* estimated the amount of housing units within the District's boundaries using the SCAG GIS mapping system. SCAG estimates that approximately 5,373 additional residential units are expected to be constructed within the boundaries of the District through calendar year 2050 ("Future Units"). A more detailed breakdown is included in Exhibit A.

   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 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	Students	Occupied Housing Units	Student Generation Factor
Elementary School (Grades TK-6)	12,431	71,995	0.1727
Middle School (Grades 7-8)	1,793	71,995	0.0249
High School (Grades 9-12)	8,164	71,995	0.1134
Total	**22,388**		**0.3110**

d. Projected Enrollment - When these SGFs are applied to the projected Future Units the resulting enrollment impact is 1,671 students. Table 2 outlines this calculation.

Table 2
Projected Increase in Enrollment
As a Result of Future Units

School Level	Student Generation Factor	Future Units	Projected Enrollment
Elementary School (Grades TK-6)	0.1727	5,373	928
Middle School (Grades 7-8)	0.0249	5,373	134
High School (Grades 9-12)	0.1134	5,373	609
Total	**0.3110**		**1,671**

B. Capacity of District Facilities

To establish the capacity of the District's facilities, this Report utilizes the District's baseline capacity established with the SAB and makes adjustments for subsequent construction projects funded by the State. A more detailed breakdown is listed in Exhibit B. Table 3 summarizes the District's current capacity.

Table 3
Current Facility Capacity

School Level	Facilities Capacity
Elementary School (Grades TK-6)	17,081
Middle School (Grades 7-8)	4,862
High School (Grades 9-12)	8,251
Total	**30,194**

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 7,806 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	School Year 2025/2026 Enrollment	Available Capacity
Elementary School (Grades TK-6)	17,081	12,431	4,650
Middle School (Grades 7-8)	4,862	1,793	3,069
High School (Grades 9-12)	8,251	8,164	87
Total	**30,194**	**22,388**	**7,806**

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	Available Capacity	Projected Enrollment	Additional Seats Needed
Elementary School (Grades TK-6)	4,650	928	0
Middle School (Grades 7-8)	3,069	134	0
High School (Grades 9-12)	87	609	522
Total	**7,806**	**1,671**	**522**

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/expand school facilities to house projected enrollment in excess of available capacity. Additionally, as illustrated in the District's 2021 Facilities Master Plan ("2021 FMP"), several projects must be complete to extend the useful life of its existing facilities to adequately house the current and future students.

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.

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 both construct/expand school facilities as well as complete improvements to existing 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 constructing/expanding school facilities, this Report utilizes information from the Districts 2025 Fee Justification Study and escalates the cost based on the change in the SAB index. Since the District plans to build on existing school sites the school facilities costs represent the cost of construction as well as furniture and equipment excluding site and site development costs. The estimated facility construction costs are shown in Table 6.

Table 6
Estimated School Facilities
Cost Per Student

School Level	Construction Cost Per Student
Elementary School (Grades TK-6)	N/A
Middle School (Grades 7-8)	N/A
High School (Grades 9-12)	$57,533.33

In addition to the need for new facility capacity, the District plans to house 928 future elementary school students, 134 future middle school students, and 87 future high school students in existing facilities. However, as illustrated in the District's 2021 FMP those facilities require expenditures to extend their useful life to adequately house the Projected Enrollment. The costs associated with extending the useful life

were developed by the District as part of the 2025 Fee Justification Study, and have been escalated to 2026 dollars based on the change in the SAB index. These costs are shown in Table 7.

Table 7
Estimated Costs to Extend the Useful Life of Existing Facilities Per Student

School Level	Cost Per Student
Elementary School (Grades TK-6)	$52,261.55
Middle School (Grades 7-8)	$28,967.80
High School (Grades 9-12)	$13,937.10

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 1,671 students. Of these students, 522 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. This study incorporates a Central Administrative and Support Facilities cost impact of $800 per student.

B. Cost of Providing School Facilities

This Report determines the cost of providing school facilities by (i) multiplying the number of Additional Seats Needed in Table 5 by the Estimated School Facilities Costs Per Student listed in Table 6, (ii) multiplying the number of Additional Seats Needed listed in Table 5 by the Central Administrative and Support Facilities Cost per Student and (iii) multiplying the Projected Enrollment minus the Additional Seats Needed listed in Table 4 by the Estimated Costs to Extend the Useful Life of Existing Facilities listed in Table 7. 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/ Students	Cost Per Facility/ Students	School Facilities Cost Impact
Cost to Construct/Expand Facilities			
Elementary School (Grades TK-6)	0	N/A	$0
Middle School (Grades 7-8)	0	N/A	$0
High School (Grades 9-12)	522	$57,533	$30,032,400
Central Admin	522	$800	$417,600
Cost to Extend Useful Life of Facilities			
Elementary School (Grades TK-6)	928	$52,262	$48,498,722
Middle School (Grades 7-8)	134	$28,968	$3,881,686
High School (Grades 9-12)	87	$13,937	$1,212,528
Total Cost Impact			**$84,042,936**

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 per Future Unit
$84,042,936	5,373	$15,642

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 the average square footage of new homes currently listed for sale within the boundaries of the District. 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 per Future Unit	Average Square Footage	School Facilities Cost Impact Per Square Foot
$15,642	2,577	$6.07

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.

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 $6.07. 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 the maximum School Fee of $5.38 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 11 shows these generation rates.

Table 11
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 11 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 17 percent of employees within the District are likely to reside within the District. Table 12 shows the Resident Employee Generation Rates.

Table 12
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	0.1700	0.3803
Office	3.4965	0.1700	0.5944
Research and Development	3.0395	0.1700	0.5167
Industrial/Warehouse/Manufacturing	2.6954	0.1700	0.4582
Hospital	2.7778	0.1700	0.4722
Hotel/Motel	1.1325	0.1700	0.1925
Self-Storage	0.0643	0.1700	0.0109

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 1.5308.
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 12. Table 13 summarizes this calculation.

Table 13
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	0.3736	1.4163	0.2638
Office	0.5839	1.4163	0.4123
Research and Development	0.5076	1.4163	0.3584
Industrial/Warehouse/Manufacturing	0.4501	1.4163	0.3178
Hospital	0.4639	1.4163	0.3275
Hotel/Motel	0.1891	1.4163	0.1335
Self-Storage	0.0107	1.4163	0.0076

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 13. The resulting Resident Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development is listed Table 14.

Table 14
Resident Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-6)	Middle School (Grades 7-8)	High School (Grades 9-12)	Total
Retail and Services	0.0429	0.0062	0.0282	0.0772
Office	0.0670	0.0097	0.0440	0.1207
Research and Development	0.0583	0.0084	0.0383	0.1050
Industrial/Warehouse/Manufacturing	0.0517	0.0075	0.0339	0.0931
Hospital	0.0533	0.0077	0.0350	0.0959
Hotel/Motel	0.0217	0.0031	0.0143	0.0391
Self-Storage	0.0012	0.0002	0.0008	0.0022

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 15.

Table 15
Inter-District Transfer Rate Per Employee

Item	Elementary School (Grades TK-6)	Middle School (Grades 7-8)	High School (Grades 9-12)
Number of Employed Persons	110,213	110,213	110,213
Number of Inter-District Transfers	440	95	467
Inter-District Transfers Per Employee	**0.0040**	**0.0009**	**0.0042**

3. **Total Student Generation Impact Per 1,000 Square Feet of Commercial/Industrial Development -** The Inter-District Transfer Rates, listed in Table 15, were multiplied by the Employee Generation Rates in Table 11 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 14, to calculate the Total Student Generation Impact per 1,000 Square Feet of Commercial/Industrial Development list in Table 16.

Table 16
Total Student Generation Impact
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-6)	Middle School (Grades 7-8)	High School (Grades 9-12)	Total
Retail and Services	0.0518	0.0082	0.0376	0.0976
Office	0.0810	0.0128	0.0587	0.1526
Research and Development	0.0704	0.0111	0.0510	0.1326
Industrial/Warehouse/Manufacturing	0.0625	0.0099	0.0453	0.1176
Hospital	0.0644	0.0102	0.0466	0.1212
Hotel/Motel	0.0263	0.0042	0.0190	0.0494
Self-Storage	0.0015	0.0002	0.0011	0.0028

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 8 and multiplies the per student cost by the Total Student Generation Impacts listed in Table 16. Table 17A and 17B outlines the resulting Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development.

Table 17A
Cost of Providing School Facilities
Per Student

School Level	Total School Facilities Cost Impact	Projected Students	Facility Cost Per Student
Elementary School (Grades TK-6)	$48,498,722	928	$52,262
Middle School (Grades 7-8)	$3,881,686	134	$28,968
High School (Grades 9-12)	$31,662,528	609	$51,991

Table 17B
Cost of Providing School Facilities
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Elementary School (Grades TK-6)	Middle School (Grades 7-8)	High School (Grades 9-12)	Total
Retail and Services	$2,709.15	$237.53	$1,952.97	$4,899.65
Office	$4,234.84	$371.29	$3,052.77	$7,658.90
Research and Development	$3,680.90	$322.73	$2,653.48	$6,657.11
Industrial/Warehouse/Manufacturing	$3,264.27	$286.20	$2,353.13	$5,903.59
Hospital	$3,364.51	$294.98	$2,425.36	$6,084.85
Hotel/Motel	$1,371.93	$120.28	$988.96	$2,481.17
Self-Storage	$77.51	$6.80	$55.90	$140.21

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 $5.38. This amount is then multiplied by the Household Impacts listed in Table 13. Table 18 outlines this calculation.

Table 18
Residential School Fee Revenue
Per 1,000 Square Feet of Commercial/Industrial Development

Commercial/Industrial Category	Household Impact	Average School Fees	Residential Revenue
Retail and Services	0.2484	$13,864.26	$3,443.88
Office	0.3883	$13,864.26	$5,383.49
Research and Development	0.3375	$13,864.26	$4,679.19
Industrial/Warehouse/Manufacturing	0.2993	$13,864.26	$4,149.57
Hospital	0.3085	$13,864.26	$4,277.12
Hotel/Motel	0.1258	$13,864.26	$1,744.12
Self-Storage	0.0071	$13,864.26	$98.44

The Residential School Fee Revenue per 1,000 Square Feet of Commercial/Industrial Development listed in Table 18 is then subtracted from Cost of Providing School Facilities per 1,000 Square Feet of Commercial/Industrial Development identified in Table 17B to calculate the Remaining Cost of Providing Facilities per 1,000 Square Feet of Commercial/Industrial Development. Table 19 outlines this calculation.

Table 19
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	$4,899.65	$3,443.88	$1,455.76
Office	$7,658.90	$5,383.49	$2,275.41
Research and Development	$6,657.11	$4,679.19	$1,977.92
Industrial/Warehouse/Manufacturing	$5,903.59	$4,149.57	$1,754.02
Hospital	$6,084.85	$4,277.12	$1,807.73
Hotel/Motel	$2,481.17	$1,744.12	$737.05
Self-Storage	$140.21	$98.44	$41.77

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.

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 $41.77 to $2,275.41. Table 20 compares these costs to the maximum School Fee for Commercial/Industrial Development.

Table 20
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	$1,455.76	$1.46	$0.87	$0.87
Office	$2,275.41	$2.28	$0.87	$0.87
Research and Development	$1,977.92	$1.98	$0.87	$0.87
Industrial/Warehouse/Manufacturing	$1,754.02	$1.75	$0.87	$0.87
Hospital	$1,807.73	$1.81	$0.87	$0.87
Hotel/Motel	$737.05	$0.74	$0.87	$0.74
Self-Storage	$41.77	$0.04	$0.87	$0.04

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, except Hotel/Motel and Self-Storage, the District is justified in imposing a School Fee of $0.87 per square foot for all Future Commercial/Industrial Development within its boundaries. The justified School Fee for developments categorized as Hotel/Motel is $0.74 per square foot and $0.11 per square foot for those categorized as Self-Storage.

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 $0.87 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 Orange Unified School District ("District") is justified in collecting the legal maximum fee of **$5.38** 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 the legal maximum fee of **$0.87** per square foot of commercial/industrial development on all categories of commercial/industrial development except for hotel/motel where the District is justified in collecting **$0.74** per square foot and self-storage where the District is justified in collecting **$0.04** per square foot.

The findings of this Report are based on the following:

- According to SCAG there are 5,373 residential units projected to be built within the District.
- These residential units are expected to generate 1,671 students. The District expects these students will require the District to construct new school facilities as well as extend the useful life of its current facilities.
- Each square foot of future residential development creates an estimated school facility cost impact of $6.07.
- If the District collects the maximum school fee of $5.38, fee revenue will offset about 88.63 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 $0.04 - $2.28 per square foot depending on the category of development.

- If the District collects the maximum justified school fee of $0.87 per square foot for commercial/industrial development, fee revenue would offset between 38.16 - 59.59 percent of the school facility cost impact of such development. For hotel/motel and self-storage development, the maximum justified fees are $0.74 and $0.04 per square foot, respectively, which would fully offset 100% of the associated school facility cost impact.

Exhibit A

SCAG Housing Projections

Orange Unified School District
School Facilities Capacity Calculation

Application	Project	Elementary School	Middle School	High School
N/A	SAB Form 50-02	16,575	4,536	7,452
N/A	Non-Severe/Severe Capacity	480	137	274
N/A	Additional Relocatable Capacity	476	189	525
50/66621-00-001	Running Springs Elementary	300	0	0
N/A	Riverdale Elementary School [1]	-600	0	0
N/A	Silverado Elementary [2]	-150	0	0
Total Capacity	**N/A**	**17,081**	**4,862**	**8,251**

[1] Riverdale Elementary School was closed at the end of the 2009/2010 school year and was subsequentally sold by the School District in June 2016. This school site no longer remains in the School District's inventory and its capacity has been removed from the calculation.

[2] Silverado Elementary School was closed at the end of the 2008/2009 school year and was subsequentally sold by the School District in October 2013. This school site no longer remains in the School District's inventory and its capacity has been removed from the calculation.

Exhibit B

SAB Capacity Calculation

ORANGE UNIFIED SCHOOL DISTRICT
RESIDENTIAL DEVELOPMENT PROJECTIONS
SOURCE: SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

2024 Connect SoCal (RTP/SCS) Growth Forecast [1]

Tier2	% In District [2]	Housholds 2026	Households 2035	Households 2050
32622100	100%	1,645	1,695	1,751
32930100	79%	1,651	1,667	1,676
32937100	100%	2	2	2
32938400	57%	1,424	1,888	2,296
32938300	9%	73	73	453
32951100	100%	0	0	0
32959100	100%	151	151	151
32961100	100%	190	190	190
32967100	100%	221	221	221
32970200	100%	867	867	868
32970100	100%	744	746	749
32986100	100%	847	848	850
32878200	100%	865	872	1,391
32878100	100%	169	169	267
32889100	100%	1,172	1,172	1,172
32889300	100%	1	1	1
32905100	100%	160	165	174
32906200	27%	206	246	250
32905200	100%	0	0	0
32908100	100%	1	1	1
33059100	100%	8	8	8
33059200	100%	419	419	419
33059300	99%	259	259	259
33074100	14%	5	7	7
33074300	58%	11	11	11
33074200	17%	25	41	41
33119200	100%	12	12	12
33118100	23%	361	361	361
33036100	25%	0	0	0
33115100	100%	0	0	0
33108300	100%	0	0	0
33108200	100%	0	0	0
33109100	1%	2	3	3
33102100	16%	176	176	176
33016200	100%	494	495	495
33013200	38%	144	149	157
33013100	100%	983	997	1,007
33013300	27%	189	195	204

Tier2	% In District [2]	Housholds 2026	Households 2035	Households 2050
33011100	100%	1,085	1,102	1,120
33011200	100%	325	335	338
32997200	100%	498	510	525
32997100	100%	653	668	686
32992300	41%	199	203	210
32992100	100%	561	574	589
32971100	100%	1,717	1,870	1,952
32962100	11%	135	136	137
32956200	83%	1,510	1,510	1,510
32956100	31%	109	109	109
32952100	100%	1,553	1,558	1,622
32943100	22%	353	356	360
32930200	100%	774	775	777
32622200	100%	984	1,022	1,065
32951300	100%	827	833	840
32951200	100%	123	124	126
32951400	100%	421	424	428
32952200	100%	1,125	1,127	1,128
32969100	100%	886	897	899
32959300	100%	498	498	500
32959200	100%	595	595	595
32961200	100%	2	2	2
32967200	100%	51	52	52
32970300	100%	923	924	926
32972300	100%	289	289	289
32972200	100%	181	181	181
32972100	100%	2,273	2,271	2,277
32969200	100%	654	659	665
32974400	100%	557	567	578
32974300	100%	524	526	531
32974200	100%	406	410	411
32974100	100%	169	169	169
32977300	100%	637	638	639
32977100	100%	505	507	510
32982200	100%	671	675	729
32982100	100%	560	618	637
32977200	100%	27	27	27
32977400	100%	608	633	666
32980100	100%	209	234	235
32980200	100%	367	367	400
32980300	100%	511	514	546
32980400	100%	626	632	641
32984200	100%	418	431	451
32983100	100%	1,262	1,265	1,270

Tier2	% In District [2]	Housholds 2026	Households 2035	Households 2050
32983200	100%	583	584	585
32983300	100%	275	275	276
32984300	100%	465	466	470
32984100	100%	414	417	422
32990200	100%	796	845	894
32988200	100%	347	347	397
32993300	100%	337	387	387
32877200	100%	750	764	777
32993200	100%	725	725	726
32988100	100%	201	203	205
32988300	100%	335	339	342
32990100	100%	1,133	1,143	1,161
32995100	100%	1,629	1,631	1,634
32999200	100%	727	731	735
32998100	100%	653	656	661
32998200	100%	597	600	604
33008200	100%	1,738	1,750	1,772
32999100	100%	514	514	515
33004200	100%	495	503	506
33004100	100%	548	628	752
33005200	100%	359	375	394
33009300	100%	280	282	285
33009200	100%	544	545	546
33009100	100%	323	325	326
32882200	100%	642	648	668
33005100	100%	710	722	727
33008100	100%	255	257	260
33012200	100%	427	432	472
33012300	100%	1,018	1,018	1,020
33012100	100%	346	352	359
33015200	100%	481	491	504
32895200	100%	186	186	186
32886200	100%	569	584	584
32886100	100%	570	570	570
32891200	100%	1,306	1,306	1,306
32882100	100%	792	792	792
32889200	100%	702	702	702
32892100	100%	1,084	1,087	1,087
32891100	100%	1,258	1,258	1,258
32895100	100%	130	130	130
32895300	100%	60	60	62
33015400	100%	1	1	1
33016100	100%	901	901	901
33108100	100%	22	448	448

Tier2	% In District [2]	Housholds 2026	Households 2035	Households 2050
32898400	100%	48	242	242
32898200	100%	0	98	98
32898100	100%	1	1	1
32896100	100%	434	443	453
32900100	100%	2,408	2,860	2,860
32896200	100%	983	987	997
32899500	100%	485	485	485
32895400	100%	0	0	0
32898300	100%	71	353	353
32907100	100%	0	0	0
32907200	100%	2	2	2
32905400	100%	0	0	0
32905300	100%	0	0	0
32907300	100%	0	0	0
32907400	100%	0	0	0
32908200	100%	0	0	0
32899100	100%	543	543	543
32902100	100%	1,446	1,446	1,446
Totals [3]		**73,487**	**76,364**	**78,860**

[1] Southern California Association of Governments - 2024 Connect SoCal (RTP/SCS) Growth Forecast which has been adopted at the jurisdictional level, data provided January 2026 and remains the most current available.

[2] Percent in District was estimated based on acreage via GIS mapping.

[3] Totals may not sum due to rounding.