



PERRIS UNION HIGH SCHOOL DISTRICT  
**SCHOOL FEE JUSTIFICATION STUDY**

JANUARY 4, 2023

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## EXECUTIVE SUMMARY

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

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

The maximum School Fees authorized by Education Code section 17620 are currently \$4.79 per square foot for residential construction/reconstruction and \$0.78 per square foot for commercial/industrial construction for unified school districts. The State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years.

The School District provides education for grades 7-12 for students generated by the Perris Elementary School District (“PESD”) and grades 9-12 for students generated by the Menifee Union School District (“MUSD”), the Nuvew Union School District (“NUSD”) and the Romoland School District (“RSD”). Pursuant to Education Code section 17623(a), the School District, as a non-unified school district sharing common jurisdiction with other non-unified school district(s), entered into a fee sharing agreement with PESD, MUSD, NUSD and RSD. The agreement specifies the percentage of the maximum School Fees that may be levied and collected by each school district. According to the agreement, twenty eight percent (28%) of the maximum School Fees may be charged and collected by the School District for areas within the School District boundaries shared by MUSD, NUSD and RSD, or \$1.34 and \$0.2184 for residential and commercial/industrial development, respectively (“Applicable School Fees”) and forty percent (40%) of the maximum School Fees may be charged and collected by the School District for areas within the School District boundaries shared by PESD, or \$1.92 and \$0.3120 for residential and commercial/industrial development, respectively (“PESD Area Applicable School Fees”). Based on the findings presented in this Study, the School District is justified in collecting its portion of the maximum residential and commercial/industrial Applicable School Fees and PESD Area Applicable School Fees. The findings are summarized below.

## **Residential Development**

New residential development in the School District is projected over the next ten (10) years and beyond. Based on historical student generation rates, new residential development not within a Community Facilities District or subject to a Mitigation Agreement could generate an estimated 3,064 new students over the next ten (10) years. The projected student enrollment supports construction of additional school facilities and expansion of existing school facilities. The school facilities cost impacts per residential square foot as determined in this Study are shown in the following table by area of the School District.

**TABLE E-1  
RESIDENTIAL SCHOOL FACILITIES COST IMPACTS BY AREA**

<b>IMPACT PER SQUARE FOOT FOR AREAS WITHIN PESD</b>	<b>IMPACT PER SQUARE FOOT FOR AREAS WITHIN MUSD, NUSD &amp; RSD</b>
<b>\$7.03</b>	<b>\$5.17</b>

The cost impacts per square foot of residential construction/reconstruction shown in Table E-1 are greater than the School District’s share of the current maximum authorized residential School Fee, which is \$1.34 per square foot for the MUSD, NUSD & RSD Area, and \$1.92 per square foot for the PESD Area (the “Applicable Residential School Fees”). Therefore, the School District is reasonably justified in levying statutory Level I school fees in an amount up to but not exceeding the Applicable Residential School Fees. The Applicable Residential School Fees that may be charged by the School District are summarized in Table E-2 below by area of the School District.

**TABLE E-2  
APPLICABLE RESIDENTIAL SCHOOL FEES BY AREA**

<b>APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR THE PESD AREA</b>	<b>APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR THE MUSD, NUSD &amp; RSD AREA</b>
<b>\$1.92</b>	<b>\$1.34</b>

## **Commercial/Industrial Development**

As commercial/industrial properties develop within the School District’s boundaries, there is an increased need for new residential development to fulfill the demands of the growth in workforce. Thus, the development of commercial/industrial property has an increased impact on the School District’s facilities. In cases where the fees levied on residential development are insufficient to provide adequate school facilities for students generated due to new development, School Fees may be imposed on commercial/industrial development. The following nexus findings presented justify the imposition of the commercial/industrial school fee.

Section 17621(e)(1)(B) of the Education Code requires that the Study determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the School District. This code section further

adds that employee generation estimates shall be based on the applicable employee generation estimates set forth in the January 1990 edition of “San Diego Traffic Generator Study” (“Traffic Study”), a report by San Diego Association of Governments (“SANDAG”). The school facilities cost impacts per commercial/industrial square foot of assessable space as determined in this Study are shown in Table E-3 by commercial/industrial land use type and by area of the School District (each commercial/industrial category is further described in Appendix “A”).

**TABLE E-3  
COMMERCIAL/INDUSTRIAL SCHOOL FACILITIES COST IMPACTS**

COMMERCIAL/INDUSTRIAL CATEGORY	IMPACT PER SQUARE FOOT FOR THE PESD AREA	IMPACT PER SQUARE FOOT FOR THE MUSD, NUSD & RSD AREA
Banks	\$4.91	\$3.14
Community Shopping Center	\$2.67	\$1.71
Neighborhood Shopping Center	\$4.86	\$3.11
Industrial Business Parks	\$6.11	\$3.90
Industrial Parks/Warehousing/Manufacturing	\$2.35	\$1.50
Rental Self-Storage	\$0.11	\$0.07
Research & Development	\$5.28	\$3.37
Hospitality (Lodging)	\$1.97	\$1.26
Commercial Offices (Standard)	\$8.33	\$5.32
Commercial Offices (Large High Rise)	\$7.90	\$5.05
Corporate Offices	\$4.66	\$2.98
Medical Offices	\$7.42	\$4.74

The maximum authorized School Fee’s per square foot of assessable space applicable to new commercial/industrial development for the MUSD, NUSD & RSD Area and the PESD Area are \$0.2184 per square foot and \$0.3120 per square foot, respectively. The cost impacts per square foot for each category of commercial/industrial construction are equal to or exceed (i) \$0.2184 per square foot or (ii) \$0.3120 per square foot, except for Rental Self-Storage development, which may be charged at \$0.07 per square foot for the MUSD, NUSD & RSD Area and \$0.11 per square foot for the PESD Area (“Applicable Com/Ind School Fees”). Therefore, except for Rental Self-Storage development, the School District is fully justified in levying commercial/industrial School Fees on new commercial/industrial development in an amount up to but not exceeding the Applicable Com/Ind School Fees. The Applicable Com/Ind School Fees that may be charged by the School District are summarized in Table E-4.

**TABLE E-4  
APPLICABLE COMMERCIAL/INDUSTRIAL SCHOOL FEES**

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR THE PESD AREA</b>	<b>APPLICABLE SCHOOL FEE PER SQUARE FOOT FOR THE MUSD, NUSD &amp; RSD AREA</b>
Banks	<b>\$0.3120</b>	<b>\$0.2184</b>
Community Shopping Center	<b>\$0.3120</b>	<b>\$0.2184</b>
Neighborhood Shopping Center	<b>\$0.3120</b>	<b>\$0.2184</b>
Industrial Business Parks	<b>\$0.3120</b>	<b>\$0.2184</b>
Industrial Parks/Warehousing/Manufacturing	<b>\$0.3120</b>	<b>\$0.2184</b>
Rental Self-Storage	<b>\$0.1100</b>	<b>\$0.0700</b>
Research & Development	<b>\$0.3120</b>	<b>\$0.2184</b>
Hospitality (Lodging)	<b>\$0.3120</b>	<b>\$0.2184</b>
Commercial Offices (Standard)	<b>\$0.3120</b>	<b>\$0.2184</b>
Commercial Offices (Large High Rise)	<b>\$0.3120</b>	<b>\$0.2184</b>
Corporate Offices	<b>\$0.3120</b>	<b>\$0.2184</b>
Medical Offices	<b>\$0.3120</b>	<b>\$0.2184</b>

## **SECTION I. LEGISLATION AND LEGAL REQUIREMENTS**

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

AB 1600 was enacted by the State legislature in 1987 and created Government Code sections 66000 *et seq.* These sections require a public agency to satisfy the 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;(Government Code section 66001(a)(1).)
2. Identify the use to which the fee is to be put; (Government Code section 66001(a)(2).)
3. Determine how there is a reasonable relationship between the fee’s use and the type of development project on which the fee is imposed; (Government Code section 66001(a)(3).)
4. Determine that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed; (Government Code section 66001(a)(4).)
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and (Government Code section 66001(b)(1).);
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection. (Government Code section 66001(d)(1).)

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

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

school facilities impacts as a condition of approving new development and suspended various court cases known as Mira-Hart-Murrieta. The Mira-Hart-Murrieta decisions, which formerly permitted school districts to challenge local land use approvals for residential and commercial/industrial developments based on a lack of space in school facilities, are suspended by SB 50.

On November 5, 2002, California voters passed Proposition 47, which authorized the issuance of \$13.05 billion in State bonds and enacted AB 16, which provided for additional reformation of the School Building Program. AB 16, among other items, clarified that if the SAB is no longer approving apportionments for new construction due to the lack of funds available for new school facilities construction, a school district may increase its Level II Fee to the Level III Fee. With the issuance of the State bonds authorized by the passage of Proposition 47, this section of AB 16 became inoperable.

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

In June of 2006, Assembly Bill 2751 was passed, codifying the findings of *Shapell Industries vs. Milpitas Unified School District* and prohibiting a fee from including the cost attributable to existing deficiencies in public facilities. In the case of a school district, this means that the costs to remedy existing capacity deficits must not be added to the amount of facilities funding required to accommodate new students from future development. This Study aligns with this criterion because the calculations do not include any existing deficits in reaching the school facilities required for new development or the cost of such school facilities.

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

Effective January 1, 2022, AB 602 amended certain standards and procedures relevant to “impact fee nexus studies” prepared by local agencies. As of the current date, school impact fee justification studies are included within the requirements of AB 602. AB 602 added Government Code section 66016.5 which requires, among other items, that “when applicable, the nexus study “shall identify the existing level of service for each public facility, identify the proposed new level of service, and include an explanation of why the new level of service is appropriate.”

“Level of service” is not a commonly applied measure of the suitability or condition of school programs and buildings in California. Like all school districts, the School District follows California state standards related to public education and is mandated to serve all children that live within their boundaries and choose to attend, regardless of age or circumstance. The School District is charged with ensuring that sound and safe facilities are ready and available to accommodate all children when needed and often without advance notice.

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 the

foregoing concepts and standards, as further informed by local school board policy, preferences, and educational specifications for school design, which evolve over time. The information contained in this Study is based on the School District’s assessment of existing facility capacity (i.e., its existing levels of service) and the degree to which residential and commercial development increases need and demand for new, expanded or refurbished school facilities (i.e., new or improved levels of service) that meet state and local educational specifications. Thus, the analysis provided in this study addresses the “level of service” analysis required by AB 602.

## **SECTION II. PROJECTED UNHOUSED STUDENTS AND ESTIMATED FACILITY AND PER STUDENT COSTS**

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

### **A. SCHOOL DISTRICT CAPACITY AND STUDENT ENROLLMENT**

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

The School District currently operates one (1) middle school serving grades 7 and 8, four (4) comprehensive high schools, one (1) continuation high school serving grades 10 through 12, one (1) community adult school generally serving grades 9 through 12, one (1) military institute charter facility serving grades 5 through 12 and one (1) online charter school serving grades 7 through 12. Pursuant to Education Code section 17071.10, these facilities have a capacity to accommodate 12,330 students; 11,224 of which are at the high school level and 1,106 seats are at the middle school level. Appendix "B" provides a calculation of the updated facility capacity.

Based on October 2022 California Longitudinal Pupil Achievement Data System (CALPADs) data, the student enrollment of the School District is 11,741 students. Of those students, 123 were enrolled in the Scholar Plus Online Learning Program ("SPOLP"), Pathways for Adult Life Skills ("PALS") and independent study programs. Those students do not require full-time teaching stations and have been subtracted from the CALPADs figures, Furthermore, a total of 144 grades 5 and 6 students attending the California Military Institute ("CMI") and 129 students attending the Adult School and Independent Study program, have been subtracted from the CALPADS figures. Should these students return to traditional enrollment, the students would attend an elementary "feeder" school district and therefore would have no impact on the School District's facilities. Subtracting the independent program and grades 5 and 6 CMI students from the CALPADs figures results in a net enrollment of 11,345 students. Appendix "C" provides a summary of the School District's student enrollment as of October 2022. The current available capacity for the School District is calculated by subtracting the current student enrollment from the existing school facilities capacity for each school level. This operation results in an

available capacity at the middle school level and at the high school level. The results are shown in Table 1.

**TABLE 1  
FACILITIES CAPACITY AND STUDENT ENROLLMENT**

SCHOOL LEVEL	EXISTING FACILITIES CAPACITY	STUDENT ENROLLMENT (OCTOBER 2022) <sup>1</sup>	AVAILABLE/ (DEFICIT) CAPACITY
Middle School (7-8)	1,106	933	173
High School (9-12)	11,224	10,412	812
<b>TOTAL</b>	<b>12,330</b>	<b>11,345</b>	<b>985</b>

<sup>1</sup> Does not include Independent Study students, Pathways for Adult Life Skills students and Scholar Plus Online Learning students; students attending California Military Institute (CMI) have been categorized as High School students (excluding 5<sup>th</sup> and 6<sup>th</sup> grade students); CMI serves students throughout the School District.

## **B. PROJECTED UNHOUSED STUDENTS**

### **1. Projected Residential Units**

Based on information obtained from the Planning Departments of the cities of Perris, Menifee, Lake Elsinore, Murrieta, San Jacinto and Wildomar (“Cities”) and the County of Riverside (“County”) Planning Department (collectively the “Planning Agencies”) Koppel & Gruber Public Finance (“K&G Public Finance”), estimated a total of 24,728 residential units could be developed within the School District’s boundaries over the next ten (10) years (“Projected Units”). Of the 24,728 Projected Units, an estimated 6,335 units are subject to alternative mitigation through the execution of a mitigation agreement or participation in a Community Facilities District (“CFD”). The projected residential units located within areas subject to mitigation agreements or within a CFD are not expected to pay Applicable School Fees and therefore have been excluded from the findings established herein. The number of Projected Units, mitigated Projected Units and unmitigated Projected Units are summarized in Table 2 by jurisdiction and residential category and more specifically by dwelling type: Single-Family Detached units (“SFD”) and Single Family Attached/Multi-family units (“SFA/MF”). SFD are those units with no common walls and SFA/MF are those units sharing a common wall and include townhouses, condominiums, apartments, duplexes, and other similar residential types.

**TABLE 2  
PROJECTED RESIDENTIAL UNITS**

<b>JURISDICTION</b>	<b>RESIDENTIAL CATEGORY</b>	<b>MITIGATED PROJECTED UNITS</b>	<b>UNMITIGATED PROJECTED UNITS</b>	<b>TOTAL PROJECTED UNITS</b>
<b>MUSD, NUSD &amp; RSD Area</b>	SFD	5,123	10,123	15,246
	SFA/MF	1,212	2,771	3,983
<b>PESD Area</b>	SFD	0	3,138	3,138
	SFA/MF	0	2,361	2,361
<b>TOTAL</b>		<b>6,335</b>	<b>18,393</b>	<b>24,728</b>

## 2. Student Generation Rates

To establish a nexus between anticipated future residential development and the corresponding need for additional school facilities a determination of the number of future students anticipated to be generated from the new residential development was made. This calculation results in a student generation rate (“SGR”), or factor, which represents the number of students, or portion thereof, expected to attend District schools from each new residential unit. To calculate SGRs, K & G Public Finance first obtained property characteristic data from the Assessor’s Office of the County of Riverside (“County”). The database contains all residential parcels within the School District and provides the year that a structure (if any) was built and land use class information (i.e. condominiums, single family dwellings, etc.). Additional research, including collection of building permit data, was used to update the database. Parcels in the database were classified by residential category (SFD or SFA/MF units). Since the property data information was missing unit counts for many of the residential parcels contained therein, K&G Public Finance relied on housing information from the U.S. Census Bureau<sup>1</sup> to estimate the total number of residential units located within the School District by residential category.

K&G Public Finance then obtained a student database from the School District, which contained student identification, school attended and physical address information for each student enrolled in the School District. The student database is reflective of student enrollment information as of October 2022. The student enrollment address information was matched to the address (situs address) information of parcels in the County property characteristic database. The number of students matched to homes within the school boundaries was then queried by school level and eligible residential category. Manufactured/mobile homes are not considered in the SGR determination, including the students matched to the mobile homes, and therefore have been omitted<sup>2</sup>.

<sup>1</sup> 2016-2020 American Community Survey 5-Year Estimates; DP04- Selected Housing.

<sup>2</sup> Education Code section 17625 sets forth the prerequisites that must be met before school districts may levy school fees on mobile homes. Since it is often difficult to determine and make projections relating to mobile homes that meet those requirements, the mobile home category is omitted from this analysis.

Table 3 summarizes the SGRs by school level and residential category. The calculation of the SGRs and are further described in Appendix “D” of this Study.

**TABLE 3  
STUDENT GENERATION RATES**

SCHOOL LEVEL	SFD UNITS	SFA/MF UNITS
Middle School (7-8)	0.0843	0.0722
High School (9-12)	0.1587	0.1021
<b>TOTAL</b>	<b>0.2430</b>	<b>0.1743</b>

### 3. Projected Student Enrollment

Student enrollment was projected by multiplying the SGRs in Table 3 by the unmitigated Projected Units, as shown in Table 2. A total of 1,890 new students are estimated to be generated from unmitigated Projected Units for the MUSD, NUSD & RSD Area and 1,174 new students are estimated to be generated from unmitigated Projected Units for the PESD Area. The projected student enrollment is summarized by school level and area of the School District in Table 4.

**TABLE 4  
PROJECTED STUDENT ENROLLMENT**

SCHOOL LEVEL	PROJECTED STUDENT ENROLLMENT
Middle School (7-8) (PESD Area)	435
High School (9-12) (PESD Area)	739
<i>Subtotal PESD Area</i>	<i>1,174</i>
High School (9-12) (MUSD, NUSD & RSD)	1,890
<i>Subtotal MUSD, NUSD &amp; RSD Area</i>	<i>1,890</i>
<b>TOTAL PROJECTED STUDENT ENROLLMENT</b>	<b>3,064</b>

<sup>1</sup> Includes unmitigated Projected Units only.

### 4. Projected Unhoused Students

As shown in Table 1, there is an available seat capacity at both the middle school and high school level. However, due to mitigation agreements between the School District and homebuilders, available seats shall first be reserved for students generated from mitigated Projected Units. As shown in Table 2, there are no mitigated units within the PESD area, so students generated from mitigated units will only affect the high school seat capacity. Multiplying the mitigated units from Table 2 by the appropriate SGRs from Table 3 results in an anticipated 937 students from mitigated Projected Units. Therefore, no high school seats are available to accommodate students generated from unmitigated Projected Units. The projected number of unhoused students (“Projected

Unhoused Students”) are shown in Table 5 by school level and area of the School District.

**TABLE 5  
PROJECTED STUDENT ENROLLMENT**

SCHOOL LEVEL/AREA	PROJECTED STUDENT ENROLLMENT	SEATS AVAILABLE	PROJECTED UNHOUSED STUDENTS
Middle School (7-8) – (PESD)	435	173	262
High School (9-12) – (PESD)	739	0	739
High School (9-12) – (MUSD, NUSD & RSD)	1,890	0	1,890
<b>TOTAL</b>	<b>3,064</b>	<b>173</b>	<b>2,891</b>

**C. FACILITY NEEDS AND ESTIMATED PER STUDENT COST**

**1. Facility Needs**

In 2017, The School District finalized a Long-Range Facilities Master Plan (the “2017 FMP”), which among other items, identifies both the short-range and long-range facility needs of the School District. The total project costs were estimated at \$540,290,854 in 2017 dollars, without accounting for projected construction cost escalation over the project timeline.

The 2017 FMP identifies the need for one (1) additional middle school (Middle School #2) and two (2) additional comprehensive high schools (High School #4 and High School #5). The School District currently owns one (1) site planned for the construction of Middle School #2 and construction of High School #4 is now complete. Acquisition of a new school site is required for the construction of High School #5.

Revenues from the imposition of the applicable school fees are intended to help bridge the funding gap between (i) monies available from general obligation bond proceeds, or other sources, and (ii) the estimated costs of the capital improvement projects outlined in the 2017 FMP and other applicable facilities related expenses that can be financed with school fees.

The School District has determined that future school facilities will be designed to accommodate a capacity of 1,000 students at the middle school level and 2,600 students at the high school level. The cost per student estimate is shown in Table 6.

**TABLE 6  
FACILITIES COSTS PER STUDENT**

<b>SCHOOL LEVEL</b>	<b>ESTIMATED SCHOOL FACILITIES COST<sup>1</sup></b>	<b>ESTIMATED STUDENT CAPACITY<sup>2</sup></b>	<b>ESTIMATED COST PER STUDENT</b>
Middle School (7-8)	\$69,389,818	1,000	\$69,390
High School (9-12)	\$205,709,507	2,600	\$79,119

<sup>1</sup> The estimated costs in the 2017 FMP have been adjusted for inflation based on the percentage change in the Marshal & Swift Class D Construction index.

<sup>2</sup> The estimated student capacity as stated in the 2017 FMP.

## SECTION III. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

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The following sections present the school facility impact analysis for new residential development and provides step-by-step calculations of the estimated per residential square foot cost impact for the MUSD, NUSD & RSD Area and the PESD Area.

### A. NET IMPACT PER RESIDENTIAL SQUARE FOOT – MUSD, NUSD & RSD AREA

To determine the school facilities cost impact per square foot of residential development within the MUSD, NUSD & RSD Area, first the Projected Unhoused Students determined in Table 5 were multiplied by the Costs per Student determined in Table 6. The result of this computation is shown in Table 7 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**TABLE 7  
FACILITIES COST IMPACT**

SCHOOL LEVEL	PROJECTED UNHOUSED STUDENTS	COST PER STUDENT	FACILITIES IMPACT
High School (9-12)	1,890	\$79,119	\$149,534,910
<b>TOTAL</b>	<b>1,890</b>	<b>NA</b>	<b>\$149,534,910</b>

The school facilities impact allocation shown in Table 7 above was then divided by the number of unmitigated Projected Units shown in Table 2 to determine the school facilities cost per residential unit. The costs per residential unit is shown in Table 8.

**TABLE 8  
SCHOOL FACILITIES COST PER RESIDENTIAL UNIT**

FACILITIES COST ALLOCATION	UNMITIGATED PROJECTED UNITS	FACILITIES COST PER RESIDENTIAL UNIT
\$149,534,910	12,894	\$11,597

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 8 by the weighted average square footage of a residential unit within the MUSD, NUSD & RSD Area. This calculation is shown in Table 9. K&G Public Finance used square footage information obtained from the Assessor’s Office of the County for residential units constructed within the School District over the last five-year period to estimate the weighted average square footage of the unmitigated Projected Units in the MUSD, NUSD & RSD Area.

**TABLE 9  
SCHOOL FACILITIES COST PER RESIDENTIAL SQUARE FOOT**

<b>FACILITIES COST PER RESIDENTIAL UNIT</b>	<b>WEIGHTED AVERAGE SQUARE FOOTAGE</b>	<b>FACILITIES COST PER RESIDENTIAL SQUARE FOOT</b>
\$11,597	2,244	<b>\$5.17</b>

The school facilities impact per residential square foot determined in Table 9 is greater than the School District’s share of the current maximum authorized residential School Fees of \$1.34 per square foot for the MUSD, NUSD & RSD Area. Therefore, the School District is justified in levying up to, but not exceeding, the maximum authorized amount for residential construction and reconstruction.

**B. NET IMPACT PER RESIDENTIAL SQUARE FOOT – PESD AREA**

To determine the school facilities cost impact per square foot of residential development within the PESD Area, first the Projected Unhoused Students determined in Table 5 were multiplied by the Cost per Student determined in Table 6 for each school level. The result of this computation is shown Table 10 and reflects the estimated school facilities cost impact to house Projected Unhoused Students.

**TABLE 10  
PESD AREA  
FACILITIES COST IMPACT**

<b>SCHOOL LEVEL</b>	<b>PROJECTED UNHOUSED STUDENTS</b>	<b>COST PER STUDENT</b>	<b>FACILITIES IMPACT</b>
Middle School (7-8)	262	\$69,390	\$18,180,180
High School (9-12)	739	\$79,119	\$58,468,941
<b>TOTAL</b>	<b>1,001</b>	<b>NA</b>	<b>\$76,649,121</b>

The school facilities impact allocation shown in Table 10 was then divided by the number of unmitigated Projected Units within the PESD Area shown in Table 2 to determine the school facilities cost per residential unit. The cost per residential unit is shown in Table 11.

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

<b>FACILITIES COST ALLOCATION</b>	<b>UNMITIGATED PROJECTED UNITS</b>	<b>FACILITIES COST PER RESIDENTIAL UNIT</b>
\$76,649,121	5,499	\$13,939

The school facilities cost impact per residential square foot was calculated by dividing the school facilities cost per residential unit determined in Table 11 by the weighted average square footage of a residential unit within the PESD area. This calculation is shown in Table 12.

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

FACILITIES COST PER RESIDENTIAL UNIT	WEIGHTED AVERAGE SQUARE FOOTAGE	FACILITIES COST PER RESIDENTIAL SQUARE FOOT
\$13,939	1,982	<b>\$7.03</b>

The school facilities impact per residential square foot determined in Table 12 are greater than the School District’s share of the current maximum authorized residential School Fees of \$1.92 per square foot for the PESD Area. Therefore, the School District is justified in levying up to but not exceeding the maximum authorized amount for residential construction and reconstruction.

## SECTION IV. COMMERCIAL/INDUSTRIAL SCHOOL IMPACT ANALYSIS

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

### A. EMPLOYEE GENERATION

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

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

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

COMMERCIAL/INDUSTRIAL CATEGORY	AVERAGE SQUARE FOOTAGE PER EMPLOYEE	EMPLOYEES PER 1,000 SQUARE FEET
Banks	354	2.8253
Community Shopping Center	652	1.5348
Neighborhood Shopping Center	357	2.7985
Industrial Business Parks	284	3.5156
Industrial Parks/Warehousing/Manufacturing	742	1.3473
Rental Self-Storage	15,541	0.0643
Research & Development	329	3.0408
Hospitality (Lodging)	883	1.1325
Commercial Offices (Standard)	209	4.7897
Commercial Offices (Large High Rise)	220	4.5442
Corporate Offices	372	2.6848
Medical Offices	234	4.2654

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

## B. RESIDENTIAL IMPACT

### 1. Households

To evaluate the impact of commercial/industrial development on School District facilities, this Study determines the number of students that will result from commercial/industrial development. The employee generation estimates listed in Table 13 are used to determine the impact of commercial/industrial development on a per household basis. Based on information obtained from the U.S. Census Bureau<sup>3</sup>, there are approximately 1.36 employed persons per household within the School District. Dividing the employee generation estimates listed in Table 13 by 1.36 results in the estimated number of households per 1,000 square feet of commercial/industrial development (“Total Household Impact”).

The Total Household Impact takes into consideration all employees generated from commercial/industrial development. Since some employees will live outside the School District and have no impact on the School District, the figures are adjusted to reflect only those households within the School District occupied by employees generated from commercial/industrial development built within the School District. Based on information derived from U.S. Census Bureau data<sup>3</sup>, it is estimated that approximately 18.20% of employees both live and work within the School District. Multiplying the Total Household Impact by 18.20% results in the households within the School District impacted per 1,000 square feet commercial/industrial development. The results of these computations are shown in Table 14.

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

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>SCHOOL DISTRICT HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.</b>
Banks	0.3781
Community Shopping Center	0.2054
Neighborhood Shopping Center	0.3745
Industrial Business Parks	0.4705
Industrial Parks/Warehousing/Manufacturing	0.1803
Rental Self-Storage	0.0086
Research & Development	0.4069
Hospitality (Lodging)	0.1516
Commercial Offices (Standard)	0.6410
Commercial Offices (Large High Rise)	0.6081
Corporate Offices	0.3593
Medical Offices	0.5708

<sup>3</sup> 2020 American Community Survey 5-Year Estimate

## 2. Household Student Generation

The student generation impacts per 1,000 square feet of commercial/industrial development were calculated by multiplying the household impacts shown in Table 14 by blended student generation rates determined for each school level. The result of this calculation is shown in Table 15. The determination of the blended student generation rates is shown and described in Appendix “D” of this Study.

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

COMMERCIAL/INDUSTRIAL CATEGORY	MIDDLE SCHOOL STUDENT GENERATION	HIGH SCHOOL STUDENT GENERATION	TOTAL STUDENT GENERATION
Banks	0.0299	0.0540	0.0839
Community Shopping Center	0.0162	0.0294	0.0456
Neighborhood Shopping Center	0.0296	0.0535	0.0831
Industrial Business Parks	0.0372	0.0672	0.1044
Industrial Parks/Warehousing/Manufacturing	0.0143	0.0258	0.0401
Rental Self-Storage	0.0007	0.0012	0.0019
Research & Development	0.0322	0.0581	0.0903
Hospitality (Lodging)	0.0120	0.0217	0.0337
Commercial Offices (Standard)	0.0507	0.0916	0.1423
Commercial Offices (Large High Rise)	0.0481	0.0869	0.1350
Corporate Offices	0.0284	0.0513	0.0797
Medical Offices	0.0452	0.0816	0.1268

**C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT – MUSD, NUSD & RSD AREA**

**1. Cost Impact**

To estimate the school facilities costs required to house new students resulting from additional commercial/industrial development, the total school facilities cost per student was determined by multiplying the school facilities costs per student given in Table 6 by the student generation impacts for the high school level shown in Table 15. The school facilities cost impacts are shown in Table 16 by commercial/industrial development category and school level.

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

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>TOTAL HIGH SCHOOL COST IMPACT</b>
Banks	\$4,272
Community Shopping Center	\$2,326
Neighborhood Shopping Center	\$4,233
Industrial Business Parks	\$5,317
Industrial Parks/Warehousing/Manufacturing	\$2,041
Rental Self-Storage	\$95
Research & Development	\$4,597
Hospitality (Lodging)	\$1,717
Commercial Offices (Standard)	\$7,247
Commercial Offices (Large High Rise)	\$6,875
Corporate Offices	\$4,059
Medical Offices	\$6,456

**2. Residential Fee Offsets**

As a natural consequence of new commercial/industrial developments within the School District, new residential development will be required to provide housing for the increased workforce. Residential school fees adopted by the School District under applicable law will be imposed by the School District on such new residential development within the School District boundary. To prevent new commercial and industrial development from paying the portion of impact that is mitigated by the applicable residential school fees, this amount has been calculated and deducted from the school facilities impact costs calculated in Table 16.

The residential fee offsets are calculated by using the School District’s proposed Level I Fee applicable to residential development within the MUSD, NUSD & RSD Area (\$1.34 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the MUSD, NUSD & RSD Area, which is 2,244 square feet. This calculation provides the average residential revenues from a residential unit of \$3,007 (\$1.34 x 2,244). The proposed Level I Fee for the MUSD, NUSD & RSD Area is utilized for purposes of this analysis as a conservative approach to calculating the Net Cost Impacts. It should be noted the Applicable Com/Ind School Fees for the MUSD, NUSD & RSD Area, \$0.2184 per square foot, would also be justified utilizing the current maximum Level I School Fee (\$1.14 per square foot). The average residential revenues from a residential unit multiplied by New Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 16, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“Residential Fee Offset”). This computation is shown in Table 17.

**TABLE 17  
RESIDENTIAL FEE OFFSET**

COMMERCIAL/INDUSTRIAL CATEGORY	NEW HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.3781	\$1,137
Community Shopping Center	0.2054	\$618
Neighborhood Shopping Center	0.3745	\$1,126
Industrial Business Parks	0.4705	\$1,415
Industrial Parks/Warehousing/ Manufacturing	0.1803	\$542
Rental Self-Storage	0.0086	\$26
Research & Development	0.4069	\$1,224
Hospitality (Lodging)	0.1516	\$456
Commercial Offices (Standard)	0.6410	\$1,927
Commercial Offices (Large High Rise)	0.6081	\$1,829
Corporate Offices	0.3593	\$1,080
Medical Offices	0.5708	\$1,716

### 3. Net School Facilities Costs

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

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

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>TOTAL SCHOOL FACILITIES COSTS</b>	<b>RESIDENTIAL FEE OFFSET</b>	<b>NET SCHOOL FACILITIES COSTS</b>
Banks	\$4,272	\$1,137	\$3,135
Community Shopping Center	\$2,326	\$618	\$1,708
Neighborhood Shopping Center	\$4,233	\$1,126	\$3,107
Industrial Business Parks	\$5,317	\$1,415	\$3,902
Industrial Parks/Warehousing/ Manufacturing	\$2,041	\$542	\$1,499
Rental Self-Storage	\$95	\$26	\$69
Research & Development	\$4,597	\$1,224	\$3,373
Hospitality (Lodging)	\$1,717	\$456	\$1,261
Commercial Offices (Standard)	\$7,247	\$1,927	\$5,320
Commercial Offices (Large High Rise)	\$6,875	\$1,829	\$5,046
Corporate Offices	\$4,059	\$1,080	\$2,979
Medical Offices	\$6,456	\$1,716	\$4,740

The Net School Facilities Costs determined in Table 18 were then divided by 1,000<sup>4</sup> to provide the cost impact on a square foot basis. These cost impacts are listed in Table 19.

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

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>MUSD, NUSD AND RSD NET IMPACTS</b>
Banks	<b>\$3.14</b>
Community Shopping Center	<b>\$1.71</b>
Neighborhood Shopping Center	<b>\$3.11</b>
Industrial Business Parks	<b>\$3.90</b>
Industrial Parks/Warehousing/ Manufacturing	<b>\$1.50</b>
Rental Self-Storage	<b>\$0.07</b>
Research & Development	<b>\$3.37</b>
Hospitality (Lodging)	<b>\$1.26</b>
Commercial Offices (Standard)	<b>\$5.32</b>
Commercial Offices (Large High Rise)	<b>\$5.05</b>
Corporate Offices	<b>\$2.98</b>
Medical Offices	<b>\$4.74</b>

<sup>4</sup> The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

The net cost impacts shown in Table 19 are greater than the School District’s share of the current maximum authorized commercial/industrial School Fees of \$0.2184 per square foot for the MUSD, NUSD & RSD Area, except for the category of Rental Self-Storage development. Therefore, the School District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the School District’s share of the maximum authorized statutory fee. For Rental Self-Storage businesses, which typically have extremely low numbers of employees, the School District is justified in collecting \$0.07 per square foot.

**D. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT -- PESD AREA**

**1. PESD Area Cost Impact**

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the total school facilities cost per student was determined by multiplying the school facilities costs per student determined in Table 6 by the student generation impacts calculated in Table 15. The school facilities cost impacts for the PESD Area are shown in Table 20 by commercial/industrial development category and school level.

**TABLE 20  
PESD AREA  
SCHOOL FACILITIES COSTS PER 1,000 SQUARE FEET OF  
COMMERCIAL/INDUSTRIAL DEVELOPMENT**

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>MIDDLE SCHOOL IMPACT</b>	<b>HIGH SCHOOL IMPACT</b>	<b>TOTAL COST IMPACT</b>
Banks	\$2,075	\$4,272	\$6,347
Community Shopping Center	\$1,124	\$2,326	\$3,450
Neighborhood Shopping Center	\$2,054	\$4,233	\$6,287
Industrial Business Parks	\$2,581	\$5,317	\$7,898
Industrial Parks/Warehousing/ Manufacturing	\$992	\$2,041	\$3,033
Rental Self-Storage	\$49	\$95	\$144
Research & Development	\$2,234	\$4,597	\$6,831
Hospitality (Lodging)	\$833	\$1,717	\$2,550
Commercial Offices (Standard)	\$3,518	\$7,247	\$10,765
Commercial Offices (Large High Rise)	\$3,338	\$6,875	\$10,213
Corporate Offices	\$1,971	\$4,059	\$6,030
Medical Offices	\$3,136	\$6,456	\$9,592

## 2. PESD Area Residential Fee Offsets

The residential fee offsets are first calculated by using the School District’s proposed Level I Fee applicable to residential development within the PESD area (\$1.92 per square foot) and multiplying that amount by the weighted average square footage of a residential unit in the PESD area, which is 1,982 square feet. This calculation provides the average residential revenues from a residential unit of \$3,805 (\$1.92 x 1,982). The proposed Level II Fee for the PESD area is utilized for purposes of this analysis as a conservative approach to calculating the Net Cost Impacts. It should be noted the Applicable Com/Ind School Fees for the PESD area, \$0.3120 per square foot, would also be justified utilizing the current maximum Level I School Fee (\$1.52 per square foot). The average residential revenues from a residential unit multiplied by New Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 15, results in the residential school fee revenues per 1,000 square feet of commercial/industrial development (“PESD Area Residential Fee Offset”). This computation is shown in Table 21.

**TABLE 21  
PESD AREA RESIDENTIAL FEE OFFSET**

COMMERCIAL/INDUSTRIAL CATEGORY	NEW HOUSEHOLDS PER 1,000 SQUARE FEET COM./IND.	PESD AREA RESIDENTIAL FEE OFFSET PER 1,000 SQUARE FEET COM./IND.
Banks	0.3781	\$1,439
Community Shopping Center	0.2054	\$782
Neighborhood Shopping Center	0.3745	\$1,425
Industrial Business Parks	0.4705	\$1,790
Industrial Parks/Warehousing/ Manufacturing	0.1803	\$686
Rental Self-Storage	0.0086	\$33
Research & Development	0.4069	\$1,548
Hospitality (Lodging)	0.1516	\$577
Commercial Offices (Standard)	0.6410	\$2,439
Commercial Offices (Large High Rise)	0.6081	\$2,314
Corporate Offices	0.3593	\$1,367
Medical Offices	0.5708	\$2,172

## 3. PESD Area Net School Facilities Costs

Subtracting the PESD Area Residential Fee Offset determined in Table 21 from the total school facilities costs listed in Table 20 results in the net school facilities costs per 1,000 square feet of commercial/industrial development (“PESD Area Net School Facilities Costs”). The PESD Area Net School Facilities Costs are listed in Table 22.

**TABLE 22**  
**PESD AREA NET SCHOOL FACILITIES COSTS**  
**PER 1,000 SQUARE FEET COMMERCIAL/INDUSTRIAL DEVELOPMENT**

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>TOTAL SCHOOL FACILITIES COSTS</b>	<b>PESD AREA RESIDENTIAL FEE OFFSET</b>	<b>PESD AREA NET SCHOOL FACILITIES COSTS</b>
Banks	\$6,347	\$1,439	\$4,908
Community Shopping Center	\$3,450	\$782	\$2,668
Neighborhood Shopping Center	\$6,287	\$1,425	\$4,862
Industrial Business Parks	\$7,898	\$1,790	\$6,108
Industrial Parks/Warehousing/ Manufacturing	\$3,033	\$686	\$2,347
Rental Self-Storage	\$144	\$33	\$111
Research & Development	\$6,831	\$1,548	\$5,283
Hospitality (Lodging)	\$2,550	\$577	\$1,973
Commercial Offices (Standard)	\$10,765	\$2,439	\$8,326
Commercial Offices (Large High Rise)	\$10,213	\$2,314	\$7,899
Corporate Offices	\$6,030	\$1,367	\$4,663
Medical Offices	\$9,592	\$2,172	\$7,420

The PESD Area Net School Facilities Costs determined in Table 22 were then divided by 1,000<sup>5</sup> to provide the cost impact on a square foot basis. These cost impacts are listed in Table 23.

**TABLE 23**  
**PESD AREA NET COST IMPACTS**  
**PER SQUARE FOOT OF COMMERCIAL/INDUSTRIAL DEVELOPMENT**

<b>COMMERCIAL/INDUSTRIAL CATEGORY</b>	<b>PESD AREA NET IMPACTS</b>
Banks	<b>\$4.91</b>
Community Shopping Center	<b>\$2.67</b>
Neighborhood Shopping Center	<b>\$4.86</b>
Industrial Business Parks	<b>\$6.11</b>
Industrial Parks/Warehousing/ Manufacturing	<b>\$2.35</b>
Rental Self-Storage	<b>\$0.11</b>
Research & Development	<b>\$5.28</b>
Hospitality (Lodging)	<b>\$1.97</b>
Commercial Offices (Standard)	<b>\$8.33</b>
Commercial Offices (Large High Rise)	<b>\$7.90</b>
Corporate Offices	<b>\$4.66</b>
Medical Offices	<b>\$7.42</b>

<sup>5</sup> The Employee Generation rates derived from the SANDAG study are estimated per 1,000 square feet of development.

The net cost impacts shown in Table 23 are greater than the School District's share of the current maximum authorized commercial/industrial School Fees of \$0.3120 per square foot for the PESD Area, except for the category of Rental Self-Storage development. Therefore, the School District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the School District's share of the maximum authorized statutory fee. For Rental Self-Storage businesses, which typically have extremely low numbers of employees, the School District is justified in collecting \$0.11 per square foot.

#### **E. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES**

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 13, the School District shall evaluate such development on a case-by-case basis to determine if the imposition of the School Fees on the development meets the nexus requirements set forth under Government Code section 66000 et seq. The School District may levy School Fees on such development in an amount up to but not exceeding the cost per square foot impact determined through such evaluation.

#### **F. AGE-RESTRICTED (SENIOR) HOUSING**

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

## **SECTION V. REDEVELOPMENT**

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

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

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

## **SECTION VI. GOVERNMENT CODE SECTION 66000**

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Government Code sections 66000 *et seq.* were enacted by State Legislature in 1987. In any action establishing, increasing, or imposing a fee as a condition of approval of a development project, such as the Applicable School Fees described herein, these Government Code sections require the public agency to satisfy the following requirements:

1. Determine the purpose of the fee; (Government Code section 66001(a)(1).)
2. Identify the use to which the fee is to be put; (Government Code section 66001(a)(2).)
3. Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed; (Government Code section 66001(a)(3).)
4. Determine that there is a reasonable relationship between the need for the public facilities and the type of development project on which the fee is imposed; (Government Code section 66001(a)(4).)
5. Determine that there is a reasonable relationship between the amount of the fee and the cost, or portion of the cost of the public facility attributable to the development on which the fee is imposed; and (Government Code section 66001(b)(1).)
6. Provide an annual accounting of any portion of the fee remaining unspent or held for projects for more than five (5) years after collection. (Government Code section 66001(d)(1).)

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

### **Purpose of the School Fee– Government Code section 66001(a)(1)**

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

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

### **Identify the Use of the School Fee– Government Code section 66001(a)(2)**

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

- (i). Construction or reconstruction of school facilities required to accommodate students generated by new residential and commercial/industrial development in areas of the School District where existing school facilities are needed;
- (ii). Construction or reconstruction of schools, or portions of schools, and other educational facilities as necessary, including not only instructional spaces, but also other supplementary and supportive facilities including, but not limited to, science labs, gyms, libraries, study halls, bathrooms, offices and other administrative spaces required in response to new student growth from the new development;
- (iii). Acquisition or lease of property for unhoused students generated from new development;
- (iv). Purchase or lease of interim and/or temporary school facilities in order to accommodate student capacity demands;
- (v). Costs associated with the administration, collection, and justification for the Applicable School Fees;
- (vi). Provide local funding that may be required if the School District applies for State funding through SB 50.
- (vii). Legal and administrative costs associated with providing facilities to students generated by new development;
- (viii). Administration of the collection of developer fees (including the costs of justifying the fees);
- (ix). Miscellaneous purposes resulting from student enrollment growth caused by new residential development; and
- (x). Any other use permitted by law.

The School District finalized its 2017 FMP outlining proposed improvement plans to a number of existing school facilities and the proposed development and construction of new school facilities. As previously noted, and described herein, the Applicable School Fees will be used to fund school facilities necessary to accommodate Projected Unhoused Students generated by unmitigated Projected Units to the extent described in this Study and permitted by applicable law. Such Applicable School Fees will be used to fund, in part, the school facilities identified in the 2017 FMP, inclusive of those school facilities described in this Study.

### **Reasonable Relationship between the Use of the Fee, the Need for School Facilities and the Type of Development on which the Fee is Imposed– Government Code sections 66001(a)(3) and (a)(4)**

As determined in the preceding sections, adequate school facilities do not exist to accommodate students generated from new residential and commercial/industrial development in the areas of the School District where new development is anticipated. The fees imposed on such new development will be used to finance the acquisition of property and the construction and/or reconstruction of school facilities required to accommodate student enrollment growth generated by new residential and commercial/industrial development.

Specifically, there is a reasonable relationship between the expected use of the fee (i.e., construction or reconstruction of school facilities) and the development on which the fee is imposed (i.e., new residential, commercial and industrial development) because the new residential construction will result in new homes expected to be occupied by families with additional children that will likely attend school within the School District, and new commercial/industrial development is expected to produce employment for students and students' parents who may also choose to live within School District boundaries.

Further, there is a reasonable relationship between the number of new dwelling units constructed and the number of students expected to be generated from the construction of such units, because the new residential construction will likely house new families moving into the School District's boundaries, who will likely send their children to local School District schools. There is also a reasonable relationship between the construction of new commercial/industrial development and the number of students expected to be generated from the construction of such commercial/industrial development, since students and the parents of students will be employed by new businesses occupying the new commercial or industrial development and a portion of the students and/or the students' parents will also choose to live within the boundaries of the School District.

**Determination of the Reasonable Relationship between the Fee Amount and the School Facilities Costs Attributable to Type of Development on which the Fee is Imposed – Government Code section 66001(b)(1)**

The Study shows there is a reasonable relationship between the amount of the fee identified in this Study and the cost of the school facilities to be constructed, attributable to the development on which the fee is imposed, because the amount of the fee is calculated based on a cost per pupil calculation and deemed necessary to serve new residential and commercial/industrial developments.

The imposition of the Applicable Residential School Fees of \$1.34 and \$1.92 per square foot of residential development for the MUSD, NUSD & RSD Area and the PESD Area, respectively, are justified as these fees are below the per square foot cost impacts to provide adequate school facilities required as a result of such new residential development.

Similarly, the imposition of the Applicable Com/Ind. School Fees of \$0.2184 and \$0.3120 per square foot of commercial/industrial development or the MUSD, NUSD & RSD Area and the PESD Area, respectively are justified as the fees are equal to or below the estimated per square foot net cost impact to provide adequate school facilities required as a result of such new commercial/industrial development, except for Rental Self-Storage development.

**Accounting Procedures for the Fees**

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

## Appendix A - Commercial/Industrial Category Descriptions

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

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

## Appendix B – Facilities Capacity Update

### **PERRIS UNION HIGH SCHOOL DISTRICT FACILITIES CAPACITY UPDATE**

<b>ITEM</b>	<b>SCHOOL</b>	<b>MIDDLE SCHOOL</b>	<b>HIGH SCHOOL</b>
SAB Form 50-02 (as of 2001)	NA	972	2,349
Non-Severe/Severe	NA	0	0
*002	Paloma Valley High	0	1,796
*003	Perris High	0	40
*004	Pinacate Middle	53	0
*005	Perris Valley Academy	0	297
*006	Perris High	0	702
*007	Heritage High	0	2,673
*008	Paloma Valley High	0	567
*009	Pinacate Middle	81	0
*010	Liberty High	0	2,800
<b>TOTAL</b>		<b>1,106</b>	<b>11,224</b>
<b>GRAND TOTAL</b>		<b>12,330</b>	

\*Based on information provided on SAB 50-04 Applications for New Construction Funding

## Appendix C – Enrollment Summary

### PERRIS UNION HIGH SCHOOL DISTRICT 2022/2023 ENROLLMENT

SCHOOL/PROGRAM	MIDDLE		HIGH				GRAND TOTAL
	7	8	9	10	11	12	
California Military Institute <sup>1</sup>	170	172	147	154	121	96	<b>860</b>
Heritage High School	-	-	544	645	632	623	<b>2,444</b>
Liberty High School	-	-	673	639	447	-	<b>1,759</b>
Independent Study	-	-	2	2	7	9	<b>20</b>
Paloma Valley High School	-	-	632	621	713	784	<b>2,750</b>
Pathways for Adult Life Skills	-	-	-	-	-	109	<b>109</b>
Perris High School	-	-	564	580	635	451	<b>2,230</b>
Perris Lake High School	-	-	-	-	113	256	<b>369</b>
Pinacate Middle School	483	450	-	-	-	-	<b>933</b>
Scholar Plus Online Learning	1	3	11	26	44	38	<b>123</b>
<b>GRAND TOTAL</b>	<b>654</b>	<b>625</b>	<b>2,573</b>	<b>2,667</b>	<b>2,712</b>	<b>2,366</b>	<b>11,597</b>
<b>ELIGIBLE<sup>2</sup></b>		<b>933</b>			<b>10,412</b>		<b>11,345</b>

<sup>1</sup> Grades 5 and 6 omitted from the student calculations. The California Military Institute serves student throughout the district and operates as a high school. Therefore, the 7th and 8th Grade students for this school are assigned to the high school level.

<sup>2</sup> Does not include Scholar Plus Online Learning school students and Pathways for Adult Life Skills

## Appendix D – Student Generation Rates

Student Generation Rates (SGRs) used in this Study are based on information obtained from the Riverside County Assessor’s Office, student enrollment data from the School District and housing information from the U.S. Census Bureau.

A property characteristic data file was obtained from the County Assessor’s Office in June 2022 and parcels in the file were classified by unit type (SFD and SFA/MF). Due to the County data missing unit counts in certain instances, residential unit counts were compiled based on information from the U.S. Census Bureau<sup>6</sup>, resulting in a total of 45,167 SFDs, and 5,621 SFA/MFs within the School District boundaries with 7,773 SFDs, and 2,341 SFA/MFs of those units within the PESD area of the School District

A student enrollment database was obtained from the School District and was reflective of student enrollment information as of October 2022. The student enrollment address information was matched to the address (situs address) information of parcels in the County property characteristic databases. Students could not be matched if they were inter-district or they did not have a valid physical address (e.g. only P.O. Box was listed). Mobile homes are not considered in the SGR determination, including the students matched to the mobile home land use, and therefore have been omitted<sup>7</sup>. The number of students matched to units built was then queried by school level and residential category. The determination of the SGRs is summarized in Tables D-1 and D-2.

**TABLE D-1  
SINGLE FAMILY DETACHED (SFD)  
STUDENT GENERATION RATES**

SCHOOL LEVEL	STUDENTS MATCHED	SFD UNITS	SGR BY SCHOOL LEVEL
Middle School (7-8) <sup>1</sup>	655	7,773	0.0843
High School (9-12)	7,167	45,167	0.1587
TOTAL	7,822	NA	0.2430

<sup>1</sup> Includes area within PESD only.

**TABLE D-2  
SINGLE FAMILY ATTACHED/MULTI FAMILY (SFA/MF)  
STUDENT GENERATION RATES**

SCHOOL LEVEL	STUDENTS MATCHED	SFA/MF UNITS	SGR BY SCHOOL LEVEL
Middle School (7-8) <sup>1</sup>	169	2,341	0.0722
High School (9-12)	574	5,621	0.1021
TOTAL	743	NA	0.1743

<sup>1</sup> Includes area within PESD only.

<sup>6</sup> 2016-2020 American Community Survey 5-Year Estimate: DP04-Selected Housing.

<sup>7</sup> Education Code Section 17625 sets forth the prerequisites that must be met before school districts may levy school fees on mobile homes. Since it is often difficult to determine and make projections relating to mobile homes that meet those requirements, the mobile home category is omitted from this analysis.

In order to evaluate students generated from future households by school level, the student generation rates determined in Table D-1 and D-2 above (also summarized in Table 5 of this Study) were used. These student generation rates are listed by residential category and by school level.

**TABLE D-3  
STUDENT GENERATION RATES**

SCHOOL LEVEL	SFD UNITS	SFA/MF UNITS
Middle School (7-8)	0.0843	0.0722
High School (9-12)	0.1587	0.1021
<b>TOTAL</b>	<b>0.2430</b>	<b>0.1743</b>

The student generation rates for each residential category listed in Table D-3 were blended into a single student generation rate for each school level based on the percentage allocation residential categories of unmitigated Projected Units. The percentage allocations are shown in Table D-4.

**TABLE D-4  
ALLOCATION OF UNMITIGATED PROJECTED UNITS BY RESIDENTIAL CATEGORY**

RESIDENTIAL CATEGORY	UNMITIGATED SCHOOL DISTRICT PROJECTED UNITS	SCHOOL DISTRICT PERCENTAGE ALLOCATION	UNMITIGATED PESD PROJECTED UNITS	PESD PERCENTAGE ALLOCATION
SFD	13,261	72.10%	3,138	57.06%
SFA/MF	5,132	27.90%	2,361	42.94%
<b>TOTAL</b>	<b>18,393</b>	<b>100.00%</b>	<b>5,499</b>	<b>100.00%</b>

The Blended Student Generation Rates were determined by applying the percentage allocations, the results of which are shown in Table D-5.

**TABLE D-5  
BLENDED STUDENT GENERATION RATES**

SCHOOL LEVEL	BLENDED STUDENT GENERATION RATE <sup>1</sup>
Middle School (7-8)	0.0791
High School (9-12)	0.1429
<b>TOTAL</b>	<b>0.2220</b>

<sup>1</sup> Figures may not compute due to rounding.