



Fullerton Joint Union High School District

2024 Fee Justification Study

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EXECUTIVE SUMMARY

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. In order to levy Level I fees (statutory fees), a school district must prepare and adopt a fee justification study pursuant to the provisions of Education Code Section 17620 and Sections 65995 and 66001 of the Government Code. The 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 Fee Justification Study (“Study”) has been prepared for the Fullerton Joint 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 State Allocation Board (“SAB”) reviews and may adjust the maximum authorized School Fees every January in even-numbered years. The SAB increased the Level I fee on January 24, 2024 and the maximum School Fees authorized by Education Code Section 17620 are currently \$5.17 per square foot for residential construction/reconstruction and \$0.84 per square foot for commercial/industrial construction for unified school districts.

The School District serves areas within the cities of Brea, Buena Park, Fullerton, La Habra, La Habra Heights, La Mirada, La Palma, and Whittier, and provides education for grades nine (9) through twelve (12). Pursuant to Education Code Section 17623(a), the School District, as a nonunified school district sharing common jurisdiction with other nonunified school district(s), entered into a school facilities fee allocation agreement with Buena Park School District (“BPSD”), Fullerton School District (“FSD”), La Habra City School District (“LHCSD”), and Lowell Joint School District (“LJSD”). The agreement specifies the percentage of the maximum School Fees that may be levied and collected by each school district. According to the agreement, approximately 33.33% of the maximum School Fees may be charged and collected by the School District, or \$1.72 and \$0.28 for residential and commercial/industrial development, respectively. Based on the findings presented in this Study, the School District is justified in collecting its portion of the maximum residential and commercial/industrial School Fees¹. The findings are summarized as follows:

Residential Development

New residential development in the School District is projected over the next ten (10) years and beyond. Based on student generation rates determined for the School District, new residential development could generate an estimated 359 new students over the next ten (10) years. An analysis of the School District’s existing permanent facilities capacity supports expansion, reconstruction and/or modernization of existing school facilities. The school facilities cost impact

¹ Except for the new commercial/industrial development categorized as Rental Self-Storage facilities, as further described in this Study.

per residential square foot as determined in this Study are shown in Table E-1.

TABLE E-1
**Residential School Facilities Cost Impact/
 Applicable Residential School Fee Per Square Foot**

Impact Per Square Foot	Applicable Residential School Fee Per Square Foot
\$1.96	\$1.72

The cost impact per square foot of residential construction/reconstruction shown in Table E-1 is greater than the School District’s share of the current maximum authorized residential School Fee, which is \$1.72 per square foot; therefore, the School District is reasonably justified in levying statutory Level I school fees in an amount up to but not exceeding \$1.72 per square foot (the “Applicable Residential School Fee”).

Commercial/Industrial Development

As commercial/industrial properties develop, new jobs are created. Many of the employees working at the new jobs will move into the School District boundaries, thereby increasing the need for new residential development and further impacting the School District’s facilities. Additionally, many employees living outside of but working at new jobs within the School District boundaries will enroll students on an inter-district basis. School Fees may be imposed on commercial/industrial development if the school fees collected on residential development are insufficient to provide adequate school facilities for students generated as a result of new development and nexus findings are presented that 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 as determined in this Study are shown in Table E-2 by commercial/industrial land use type (each commercial/industrial category is further described in Appendix “A”).

The cost impacts per square foot for each category of commercial/industrial construction are equal to or exceed \$0.28 per square foot, the School District’s maximum authorized School Fee per square foot applicable to new commercial/industrial development, except for Rental Self-Storage where a School Fee of \$0.02 per square foot is justified (“Applicable Commercial/Industrial School Fees”). Therefore, 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 Commercial/Industrial School Fees. The Applicable Commercial/Industrial School Fees that may be charged by the School District are summarized in Table E-2.

**TABLE E-2
Commercial/Industrial School Facilities Cost Impacts/Applicable School Fees**

Commercial/Industrial Category	Impact Per Square Foot	Maximum Applicable School Fees
Banks	\$0.90	\$0.28
Community Shopping Center	\$0.49	\$0.28
Neighborhood Shopping Center	\$0.89	\$0.28
Industrial Business Parks	\$1.12	\$0.28
Industrial Parks/Warehousing/Manufacturing	\$0.43	\$0.28
Rental Self-Storage	\$0.02	\$0.02
Research & Development	\$0.97	\$0.28
Hospitality (Lodging)	\$0.36	\$0.28
Commercial Offices (Standard)	\$1.53	\$0.28
Commercial Offices (Large High Rise)	\$1.45	\$0.28
Corporate Offices	\$0.85	\$0.28
Medical Offices	\$1.36	\$0.28

SECTION I. LEGISLATION AND LEGAL REQUIREMENTS

This section discusses the legislative history of the Level I Fee.

Assembly Bill (“AB”) 2926 enacted by the State in 1986, also known as the “1986 School Facilities Legislation” granted school districts the right to levy fees in order to offset the impacts to school facilities from new residential and commercial development. 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;
2. Identify the use to which the fee is to be put;
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;
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;
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
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.

AB 181, enacted in 1989, established new requirements for school districts levying school fees and also 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 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) in excess of the Level I fee upon 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.

SB 50 also limited the power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development and suspended the court cases known as Mira-Hart-Murrieta. The Mira-Hart-Murrieta cases previously permitted school districts to collect mitigation fees in excess of school fees under certain circumstances.

On November 5, 2002, California voters passed Proposition 47, which authorized the issuance of \$13.05 billion in State bonds and also 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.

Furthermore, Proposition 55 was approved on March 2, 2004, which authorized the sale of \$12.3 billion in State bonds. In addition, 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.

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

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

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, the 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 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 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 available capacity to house students generated by new residential and commercial/industrial development.

The School District currently operates eight (8) high schools. Per Education Code Section 17071.10, these facilities have a capacity to accommodate 16,011 students. Pursuant to Education Code Section 17071.30, portable classrooms were not included in the calculation to the extent they are (i) leased through the State Relocatable Classroom Program, (ii) leased for a period of less than five (5) years, (iii) leased when needed as interim housing (project basis), or (iv) represent the number of portables that exceed 25% of the School District’s permanent classrooms. Appendix “B” provides a calculation of the updated facility capacity. It should be noted these capacities are driven by State loading standards and do not necessarily reflect the School District’s program goals or the condition of such facilities.

Based on Student Enrollment Data as of October 2023, the student enrollment of the School District is 12,815 students. A summary of the student enrollment data is included in Appendix “C”. Current available capacity is calculated by subtracting current student enrollment from existing school facilities capacity. This operation results in a surplus of available seats. The available capacity calculation is shown in Table 1.

TABLE 1
Facilities Capacity and Student Enrollment

Existing Facilities Capacity	Student Enrollment (October 2023)	Available/(Deficit) Capacity
16,011	12,815	3,196

B. PROJECTED UNHOUSED STUDENTS

1. Projected Residential Units

To estimate projected residential unit growth over the next ten (10) years, Koppel & Gruber Public Finance (“K&G Public Finance”) obtained and compiled a list of residential projects planned, approved and under construction, from the planning departments of the cities of Brea, Buena Park, Fullerton, La Habra, La Habra Heights, La Mirada, La Palma, and Whittier (together, the “Planning Agencies”). Such information was used to project residential development for areas within each planning jurisdiction by housing type. Based on the information, it is estimated the School District could experience the development of an estimated 2,935 residential units over the next ten (10) years (“Projected Units”).

The types of residential units considered include:

- (i) **Single family detached (“SFD”)** – dwelling units with no common walls and assigned an individual and separate assessor’s parcel;
- (ii) **Multi-family attached (“MFA”)** – dwelling units which share a common wall (e.g. townhouses, condominiums, apartments, duplexes, triplexes, etc.).

It should be noted that Mobile homes are not included in this analysis.² The estimated total Projected Units in the School District are summarized by residential category in Table 2.

TABLE 2
Projected Units by Residential Category

Residential Category	Projected Units
Single-Family Detached (SFD)	1,202
Multi-Family Attached (MFA)	1,733
Total	2,935

2. Student Generation Rates

In order to calculate student generation rates (“SGRs”), K&G Public Finance first obtained property characteristic/GIS data from the County of Orange and County of Los Angeles (together, the “Counties”) Assessor’s Offices. The data contained all residential parcels within the School District and was classified by unit type (SFD and MFA).

Since the property data information obtained from the Counties 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 Bureau³ to estimate the total number of residential units located within the School District by residential category.

² 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 Study.

³ 2022 American Community Survey 5-Year Estimates; DP04 – Selected Housing; S0801 – Commuting Characteristics (workers 16 years and over).

K&G Public Finance then obtained a student database from the School District, which contained the school attended, grade level and physical address information for each student enrolled in the School District. The student database is reflective of student enrollment information as of October 2023. The student enrollment address information was matched to the address (situs address) information of parcels in the Counties’ property characteristic database. The number of students matched was then queried by residential category. Table 3 provides a summary of the SGRs by residential category. A more detailed analysis of the SGR determinations is contained within Appendix “D”.

TABLE 3
Student Generation Rates

SFD Units	MFA Units
0.1475	0.1051

3. Projected Student Enrollment

Projected student enrollment was determined by multiplying the SGRs in Table 3 by the number of Projected Units as shown in Table 2. A total of 359 students are estimated to be generated from Projected Units. The projected student enrollment is summarized in Table 4.

TABLE 4
Projected Student Enrollment

Housing Type	Total Projected Students
SFD	177
MFA	182
Total	359

4. Projected Unhoused Students

As shown in Table 1, facilities capacity exceeds enrollment. While these findings indicate the School District’s collective capacity is available to accommodate projected students from new development over the course of the planning period, the analysis doesn’t consider (i) the condition and adequacy of existing capacity, (ii) the availability of capacity within areas of the School District where a greater and disproportionate amount of new development is expected; and/or (iii) the service and educational goals of the School District.

As further described in this Study, capacity improvements are necessary for the long-term use to adequately house the existing student population and future enrollment from new housing. The School District’s facility needs are discussed in more detail in Section II.C.1. The facilities needs exist regardless of the availability of capacity to house student enrollment, inclusive of student enrollment generated from new development. Therefore, for the purpose of this analysis, Projected Student Enrollment is not adjusted by available capacity and student enrollment attributable to new housing that requires

a seat (facilities), including new facilities and/or facilities to be replaced for their continued useful life (“Projected Unhoused Students”) is equal to Projected Student Enrollment. Table 5 shows the determination of Projected Unhoused Students.

TABLE 5
Projected Unhoused Students

Total Projected Students	Available Seat Adjustment	Projected Unhoused Students
359	0	359

C. FACILITY NEEDS AND ESTIMATED PER SEAT/STUDENT COST

1. Facilities Needs

Government Code Section 66001 (g) allows School Fees to include the costs attributable to the increased demand for public facilities reasonably related to the development project(s) in which the fee is imposed in order to (1) refurbish existing facilities to maintain the existing level of service, or (2) achieve an adopted level of service that is consistent with the general plan.⁴

In 2016, the School District formalized a Long-Range Facilities Master Plan dated June 6, 2017 (“2016 Plan”). The 2016 Plan identifies both the short-range and long-range facility needs of the School District and focuses on repairs, major maintenance, upgrades, modernization and construction of new facilities that are necessary for the continued use of the School District’s existing facilities and to meet educational program needs. The 2016 Plan does not address strategies to mitigate facilities impacts as a result of student growth generated from new development.

An update to the 2016 Plan was prepared by the School District in January 2022 (the “2022 Plan Update”). The 2022 Plan Update continues to emphasize the goals of the 2016 Plan while providing updates and additional analysis with respect to enrollment projections, capacity utilization, as well as new projects. At the time the 2022 Plan Update was prepared, certain projects outlined in the 2016 Plan had been completed. The update provides more current cost estimates for the remaining projects and applies an escalation factor to such estimated costs beyond 2016. The total estimated cost for the remaining projects identified in the 2022 Plan Update totaled \$298,143,571 in 2022 dollars.

The availability capacity evaluation of projected unhoused students shown in Table 5 confirms seats are available to accommodate Projected Student Enrollment from new residential development. However, the 2016 Plan and the 2022 Plan Update demonstrate capital improvement projects are necessary for the long-term use and adequate housing of student enrollment at the School District’s existing facilities. The facilities needs exist regardless of the availability of capacity to house student enrollment, inclusive of student enrollment generated from new development;

⁴ See also *Shapell Industries, Inc. v. Governing Board* (1991) 1 Cal. App. 4th 218.

therefore facilities capacity available for Projected Student Enrollment is deemed inadequate. 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, including funding from the Measure I Authorization, or other sources, and (ii) the estimated costs of the capital improvement projects outlined in the 2016 Plan and the 2022 Plan Update.

2. Estimated Cost Per Seat/Student

The estimated costs of the School District’s facilities needs were used to determine a per seat/student cost. This calculation is shown in Appendix “E” of this Study. Table 6 shows the estimated Facilities Cost Impact per Seat/Student.

TABLE 6
Estimated Facilities Costs Per Seat/Student

Description	Amount
Facilities Cost Impact per Seat/Student	\$20,082

SECTION III. PROJECTED IMPACT OF RESIDENTIAL DEVELOPMENT

The following sections present the school facility impact analysis for new residential development and provide step-by-step calculations of the estimated per residential square foot cost impact.

To determine the school facilities cost impact per square foot of residential development, first the Facilities Cost Impact per Seat/Student determined in Table 6 is multiplied by the Projected Unhoused Students as shown in Table 5. 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
Total Facilities Cost Impact**

Facilities Cost Impact Per Seat/Student	Projected Unhoused Students	Facilities Cost Impact Attributable to Projected Units
\$20,082	359	\$7,209,438

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

**TABLE 8
School Facilities Cost per Residential Unit**

Total Facilities Cost Impact	Projected Units	Facilities Cost Impact Per Residential Unit
\$7,209,438	2,935	\$2,456

The school facilities cost impact per residential square foot is calculated by dividing the school facilities cost per residential unit determined in Table 8 by the weighted average square footage of a residential unit. This calculation is shown in Table 9. The weighted average square footage of the Projected Units is estimated based on square footage information from planned residential developments within the Planning Agencies.

**TABLE 9
School Facilities Cost per Residential Square Foot**

Facilities Cost Impact Per Residential Unit	Weighted Average Square Footage	Facilities Cost Per Residential Square Foot
\$2,456	1,250	\$1.96

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 \$1.72 per square foot; 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

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 impacts.

A. EMPLOYEE GENERATION

In the course of making the nexus findings to justify School Fees levied on commercial/industrial development, Education Code Section 17621(e)(1)(B) 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. As mentioned in the Executive Summary, for purposes of making such determination this code section 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 10. The land use categories listed are based on those categories described in the Traffic Study and include all land uses recommended by the provisions of Education Code Section 17621(e)(1)(B).

TABLE 10
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, the employee generation estimates listed in Table 10 were first used to determine the impact of commercial/industrial development on a per household basis. Based on information derived from U.S. Census Bureau data⁵, there are approximately 1.51 employed persons per household on average for households located within the School District. Dividing the employee generation estimates listed in Table 10 by 1.51 results in the estimated number of households per 1,000 square feet of commercial/industrial development (“Total Household Impact”).

The Total Household Impact determined in the preceding paragraph takes into consideration all employees generated from commercial/industrial development. Since some of those employees will live outside the School District and will therefore 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 data⁶, it is estimated that approximately 23.1% of employees both live and work within the School District. Multiplying the Total Household Impact by 23.1% 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 11.

TABLE 11
Impact of Commercial/Industrial Development on
Households within the School District

Commercial/Industrial Category	School District Households per 1,000 Square Feet Com./Ind.
Banks	0.4322
Community Shopping Center	0.2348
Neighborhood Shopping Center	0.4281
Industrial Business Parks	0.5378
Industrial Parks/Warehousing/Manufacturing	0.2061
Rental Self-Storage	0.0098
Research & Development	0.4652
Hospitality(Lodging)	0.1733
Commercial Offices (Standard)	0.7327
Commercial Offices (Large High Rise)	0.6952
Corporate Offices	0.4107
Medical Offices	0.6525

⁵ 2022 American Community Survey 5-Year Estimates; DP04-Selected Housing; DP03-Economic Characteristics (Civilian Employed).

⁶ 2022 American Community Survey 5-Year Estimates; S0801-Commuting Characteristics (Work in place of residence).

2. New 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 11 by blended student generation rates. The result of this calculation is shown in Table 12. The determination of student generation rates are shown and described in Appendix “D” of this Study.

TABLE 12
Student Generation per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Total Student Generation
Banks	0.0529
Community Shopping Center	0.0288
Neighborhood Shopping Center	0.0524
Industrial Business Parks	0.0659
Industrial Parks/Warehousing/Manufacturing	0.0252
Rental Self-Storage	0.0012
Research & Development	0.0570
Hospitality (Lodging)	0.0212
Commercial Offices (Standard)	0.0898
Commercial Offices (Large High Rise)	0.0852
Corporate Offices	0.0503
Medical Offices	0.0799

3. Inter-District Student Impact

Based on information provided by the School District, 1,763 students were enrolled at the School District on an inter-district basis as of October 2023. Many of those inter-district students attend the School District as a result of their parents or guardians being employed at businesses located within the School District boundaries. To determine the inter-district impact of new commercial/industrial development, the number of inter-district students was first divided by the estimated number of employees within the School District’s area. Employment was estimated at 130,733 based on data obtained from the U.S. Census Bureau. The ratio of inter-district students to estimated employment was then multiplied by the employee generation factors for each of the commercial/industrial categories as shown in Table 10. The calculation results in the Inter-District Student Impacts shown in Table 13.

TABLE 13
Inter-District Cost Impact per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Total Student Generation
Banks	0.0381
Community Shopping Center	0.0207
Neighborhood Shopping Center	0.0378
Industrial Business Parks	0.0475
Industrial Parks/Warehousing/Manufacturing	0.0182
Rental Self-Storage	0.0009
Research & Development	0.0411
Hospitality (Lodging)	0.0153
Commercial Offices (Standard)	0.0647
Commercial Offices (Large High Rise)	0.0613
Corporate Offices	0.0362
Medical Offices	0.0576

4. Total Student Generation Impact

The Total Student Generation Impact is determined by adding the Student Generation Impacts shown in Table 12 to the Inter-District Impacts determined in Table 13. The Total Student Generation Impacts are listed in Table 14.

TABLE 14
Total Student Generation Impact per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Total Student Generation
Banks	0.0910
Community Shopping Center	0.0495
Neighborhood Shopping Center	0.0902
Industrial Business Parks	0.1134
Industrial Parks/Warehousing/Manufacturing	0.0434
Rental Self-Storage	0.0021
Research & Development	0.0981
Hospitality (Lodging)	0.0365
Commercial Offices (Standard)	0.1545
Commercial Offices (Large High Rise)	0.1465
Corporate Offices	0.0865
Medical Offices	0.1375

C. NET IMPACT PER COMMERCIAL/INDUSTRIAL SQUARE FOOT

1. Cost Impact

To estimate the school facilities costs required to house new students as a result of additional commercial/industrial development, the Facilities Cost Impact per Seat/Student determined in Table 6 is multiplied by the household impacts calculated in Table 14, resulting in the total school facilities cost impact per 1,000 square feet of commercial/industrial development. The total school facilities cost impacts are shown in Table 15 by commercial/industrial development category.

TABLE 15
School Facilities Costs per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Total Cost Impact
Banks	\$1,827
Community Shopping Center	\$994
Neighborhood Shopping Center	\$1,811
Industrial Business Parks	\$2,277
Industrial Parks/Warehousing/Manufacturing	\$872
Rental Self-Storage	\$42
Research & Development	\$1,970
Hospitality (Lodging)	\$733
Commercial Offices (Standard)	\$3,103
Commercial Offices (Large High Rise)	\$2,942
Corporate Offices	\$1,737
Medical Offices	\$2,761

2. Residential Fee Offsets

The total cost impacts determined in Table 15 represent the amounts required to fully mitigate the impact on school facilities, as a result of new commercial/industrial development within the School District. Many employees as a result of new commercial/industrial development will commute from areas outside of the School District boundaries or will reside in existing homes, from which no mitigation will be received from the housing in which they reside. However, new commercial/industrial development, and thereby new employee generation, will also increase the need for new residential development to house those employees living in the School District. Applicable Residential School Fees adopted by the School District under applicable law will also be imposed by the School District on such new residential development. To prevent new commercial/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 15.

The residential fee offsets are first calculated by using the Applicable Residential School Fee of \$1.72 per square foot and multiplying that amount by the weighted average square footage of a residential unit in the School District, which is 1,250 square feet. This calculation provides the average residential revenues from a residential unit of \$2,150 (\$1.72 x 1,250). The average residential revenues from a residential unit multiplied by the Household Impacts per 1,000 square feet of commercial/industrial development, as shown in Table 11, 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 16.

TABLE 16
Residential Fee Offsets

Commercial/Industrial Category	School District Households per 1,000 Square Feet Com./Ind.	Residential Fee Offset per 1,000 Square Feet Com./Ind.
Banks	0.4322	\$929
Community Shopping Center	0.2348	\$505
Neighborhood Shopping Center	0.4281	\$920
Industrial Business Parks	0.5378	\$1,156
Industrial Parks/Warehousing/Manufacturing	0.2061	\$443
Rental Self-Storage	0.0098	\$21
Research & Development	0.4652	\$1,000
Hospitality (Lodging)	0.1733	\$373
Commercial Offices (Standard)	0.7327	\$1,575
Commercial Offices (Large High Rise)	0.6952	\$1,495
Corporate Offices	0.4107	\$883
Medical Offices	0.6525	\$1,403

3. Net School Facilities Costs

Subtracting the Residential Fee Offset determined in Table 16 from the total school facilities costs listed in Table 15 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 17.

TABLE 17
Net School Facilities Costs Per 1,000 Square Feet of
Commercial/Industrial Development

Commercial/Industrial Category	Total School Facilities Costs	Residential Fee Offset	Net School Facilities Costs
Banks	\$1,827	\$929	\$898
Community Shopping Center	\$994	\$505	\$489
Neighborhood Shopping Center	\$1,811	\$920	\$891
Industrial Business Parks	\$2,277	\$1,156	\$1,121
Industrial Parks/Warehousing/Manufacturing	\$872	\$443	\$429
Rental Self-Storage	\$42	\$21	\$21
Research & Development	\$1,970	\$1,000	\$970
Hospitality (Lodging)	\$733	\$373	\$360
Commercial Offices (Standard)	\$3,103	\$1,575	\$1,528
Commercial Offices (Large High Rise)	\$2,942	\$1,495	\$1,447
Corporate Offices	\$1,737	\$883	\$854
Medical Offices	\$2,761	\$1,403	\$1,358

The Net School Facilities Costs determined in Table 17 were then divided by 1,000⁷ to provide the cost impact on a square foot basis. These cost impacts are listed in Table 18.

TABLE 18
Net School Facilities Cost Impacts Per Square Foot of
Commercial/Industrial Development

Commercial/Industrial Category	Net School Facilities Cost Impacts per Square Foot
Banks	\$0.90
Community Shopping Center	\$0.49
Neighborhood Shopping Center	\$0.89
Industrial Business Parks	\$1.12
Industrial Parks/ Warehousing/Manufacturing	\$0.43
Rental Self-Storage	\$0.02
Research & Development	\$0.97
Hospitality (Lodging)	\$0.36
Commercial Offices (Standard)	\$1.53
Commercial Offices (Large High Rise)	\$1.45
Corporate Offices	\$0.85
Medical Offices	\$1.36

⁷ The Employee Generation Rates derived from the SANDAG Traffic Study are estimated per 1,000 square feet of development.

The net school facilities cost impacts per commercial/industrial square foot of assessable space shown in Table 18 are equal to or exceed the School District's share of the maximum authorized statutory school fee for commercial/industrial development of \$0.28 per square foot, except for the category of Rental Self-Storage. Therefore, the School District is justified in levying school fees on commercial/industrial in amount up to but not exceeding the maximum authorized statutory fee, or the net cost impacts determined for the category Rental Self-Storage.

D. COMMERCIAL/INDUSTRIAL DEVELOPMENT NOT IN PRESCRIBED CATEGORIES

In cases where new commercial/industrial development does not fit within the prescribed categories shown in Table 10, 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.

E. 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 rate of \$0.28 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

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. 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 development by comparing the projected square footage, student generation and cost impacts of the proposed new units and the pre-existing residential, commercial and/or industrial development. Such analysis shall utilize the student generation rates identified in Table 3 of this Study, as applicable.

Redevelopment projects featuring a transition in commercial/industrial categorical classification (e.g. a project redeveloping a Hospitality (lodging) into Commercial office (standard) space) should be assessed based on the Applicable School Fee for the new commercial/industrial category multiplied by the total assessable space of the new commercial/industrial project in the case of a complete site redevelopment. In the case where there is a partial redevelopment, or an addition to an existing development, the Applicable School Fee should be calculated on a basis of the marginal assessable space increase multiplied by the maximum Applicable School Fee for the for the assessable space.

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

SECTION VI. GOVERNMENT CODE 66000

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;
2. Identify the use to which the fee is to be put;
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;
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;
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
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.

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

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

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

- i. Construction, reconstruction and/or refurbishment of school facilities required to accommodate students generated by new residential and commercial/industrial development in areas of the School District where school facilities are needed;
- ii. Construction, reconstruction and/or refurbishment of administrative and operations facilities required in response to new student growth from 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.

Relationship Between the Use of the Fee, the Need for School Facilities and the Type of Development on which the Fee is Imposed

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.

Determination of the Relationship Between the Fee Amount and the School Facilities Costs Attributable to Type of Development on which the Fee is Imposed

The imposition of the Applicable Residential School Fee of \$1.72 per square foot of residential development is justified as the fee is equal to or 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 \$0.28 per square foot of commercial/industrial development is justified as the fee is 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 where a School Fee of \$0.02 per square foot is justified.

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 DEVELOPMENT 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) ¹	Include general office space occupying less than 100,000 square feet with multiple tenants.
Commercial Offices (Large High Rise) ¹	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.

¹ 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

**TABLE B-1
Classroom Inventory**

School Site	Permanent Classrooms	Portable Classrooms	Total Classrooms
Buena Park High School	98	0	98
Fullerton Union High School	81	0	81
La Habra High School	100	0	100
La Vista and La Sierra High Schools	36	0	36
Sonora High School	99	0	99
Sunny Hills High School	90	0	90
Troy High School	89	0	89
Grand Total	593	0	593

Source: School District

**TABLE B-2
Estimated Student Capacity
(In Accordance with California Code of Regulation, Title II, Section 1859.35)**

Description	Total
I. Total Classroom Inventory	593
II. Permanent Classrooms	593
III. Portable Classrooms	--
IV. 25% of Permanent Classrooms	148
V. Adjustment (III. Minus IV.)	--
VI. Total (I. Minus V.)	593
Student Capacity¹	16,011

¹ School capacities are based on loading factors of 27 pupils per classroom as set forth in the California Code of Regulation, Title II, Section 1859.35.

APPENDIX C ENROLLMENT SUMMARY

School Name/Program	High School					Grand Total
	9	10	11	12	Un-graded	
Buena Park High School	442	440	433	412	--	1,727
Fullerton Union High School	475	479	454	443	--	1,851
iSierra Online Academy	5	8	8	20	--	41
La Habra High School	488	530	486	478	--	1,982
La Sierra High School	--	88	6	14	113	221
La Vista High School	--	--	115	192	--	307
Sonora High School	444	417	467	380	--	1,708
Sunny Hills High School	593	606	623	611	--	2,433
Troy High School	650	616	664	615	--	2,545
Grand Total	3,097	3,184	3,256	3,165	113	12,815

APPENDIX D

DISTRICT-WIDE STUDENT GENERATION RATES

Student Generation Rates (“SGRs”) used in this Study are based on student enrollment address information from the School District, as of October 2023.

The student enrollment address information was matched to the address (situs) information from the Counties’ property characteristic/GIS data. The number of students matched was then queried by residential category. Students could not be matched if they were inter-district or if 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, and therefore have been omitted. The determination of the SGRs is summarized in Tables D-1 through D-4.

TABLE D-1
Student Generation Rates

SFD Units	MFA Units
0.1475	0.1051

TABLE D-2
Single Family Detached (SFD) Student Generation Rates

Students Matched	SFD Units ¹	SGR by School Level
6,892	46,721	0.1475

¹ 2022 American Community Survey 5-Year Estimates; DP04 – Selected Housing

TABLE D-3
Multi-Family Attached (MFA) Student Generation Rates

Students Matched	MFA Units ¹	SGR by School Level
3,940	37,499	0.1051

¹ 2022 American Community Survey 5-Year Estimates; DP04 – Selected Housing

The student generation rates for each residential category listed in Table D-1 were blended into a single student generation rate based on the percentage allocation of Projected Units. The percentage allocations are shown in Table D-4.

TABLE D-4
Allocation of Projected Units by Residential Category

Residential Category	Projected Units	Percentage Allocation
SFD	1,202	40.95%
MFA	1,733	59.05%
Total	2,935	100.00%

The Blended Student Generation Rates were determined by applying the percentage allocations in Table D-4 by the Student Generation Rates shown in Table D-1, the results of which are shown in Table D-5.

TABLE D-5
Blended Student Generation Rate

Blended Student Generation Rate
0.1225

APPENDIX E ESTIMATED SCHOOL FACILITIES COSTS

**TABLE E-1
Estimated Facilities Cost Estimates**

School Site	Estimated Facilities Costs
Buena Park High School	\$34,904,873
Fullerton Union High School	\$51,674,375
La Habra High School	\$44,240,406
La Vista & La Sierra High Schools	\$10,887,412
Sonora High School	\$40,516,544
Sunny Hills High School	\$62,881,100
Troy High School	\$52,071,849
District Office	\$967,012
Total	\$298,143,571

Source: Facilities Master Plan Update, January 2022.

**TABLE E-2
Adjusted Estimated Facilities Cost Estimates**

Description	Amount
Total Estimated Facilities Costs	\$298,143,571
Adjusted Estimated Facilities Costs (2024 Dollars) ¹	\$321,536,840
School Capacity	16,011
Total Cost per Seat/Student	\$20,082

¹ Adjusted based on the percentage change in the State of California SAB Approved Construction Cost Index.