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## DEVELOPMENT FEE JUSTIFICATION STUDY

*Prepared for*

**Fresno Unified School District**

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## SECTION A

### INTRODUCTION AND FINDINGS

#### INTRODUCTION

In accordance with Education Code Section 17620 and Government Code Section 65995, school districts are authorized to collect fees on new residential and commercial/industrial development for the purpose of constructing or reconstructing school facilities. At the February 23, 2022, State Allocation Board meeting, the traditional development fees (referred to as “Level 1” fees) were increased from \$4.08 to \$4.79 per square foot for residential development and from \$0.66 to \$0.78 per square foot for commercial/industrial development. The purpose of this study is to provide the information and analysis necessary to demonstrate that the Fresno Unified School District is justified in collecting Level 1 school facilities fees in accordance with the provisions of state law.

This study is organized into four sections:

- Section A sets forth the purpose of the study and the findings necessary to charge development fees;
- Section B determines the justifiable residential development fee;
- Section C determines the justifiable commercial/industrial development fees by category of development; and
- Section D addresses special issues, including redevelopment projects, senior citizen housing projects, residential additions, accessory dwelling units, and conversion of commercial or industrial space to residential units.

#### FINDINGS

This study presents the information and analysis necessary to demonstrate that the Fresno Unified School District is justified in collecting Level 1 school facilities fees for new residential and commercial/industrial development in accordance with Education Code Section 17620 and Government Code Sections 65995 and 66001. As required by state law, this study demonstrates the following:

**a. New residential and commercial/industrial development relates directly to the need for school facilities in the District.**

- Based upon past development activity and reasonable future projections, an additional 300 single family residential units, 800 multiple family residential units, and approximately 1.6 million square feet of commercial/industrial development will be constructed in the District during the next five years (see Section B, Step 1 and Appendix 2).
- Students will be generated by new residential and commercial/industrial development. Single-family residential development generates an average of .625 grades TK-12 students per unit (see Section B, Step 2). Multiple-family development generates an average of .405 grades TK-12 students per unit. Commercial/industrial development generates between

.046 and .311 students per 1,000 square feet, depending on category of development (see Section C, Table C-1).

- New development is expected to generate approximately 512 additional students in the District during the next five years, including 308 students in grades TK-6, 75 students in grades 7-8, and 129 students in grades 9-12 (see Section B, Step 2).

**b. The District needs additional school facilities to accommodate students from new development.**

- The District will need school facility capacity for 308 students in grades TK-6 projected to be generated by new development during the next five years. Projected students from new development in grades 7-8 and 9-12 can be housed in existing facilities (see Section B, Step 3).

**c. The amount of fees charged is reasonably related to the amount of need attributable to new development projects**

- The residential fee per square foot justified by this report to fully fund the cost of providing school facilities to students from new development is \$10.10 per square foot (see Section B, Step 7).
- Government Code Section 65995(b) allows the District to charge a Level 1 residential fee of up to \$4.79 per square foot. This fee falls substantially short of funding the full cost of providing school facilities to students from new development.
- A fee on commercial and industrial development may be charged as a supplement to the residential fee if the residential fee does not cover the cost of providing school facilities to students from new development. The justifiable fees for commercial and industrial development by category are presented in Table C-1. Table C-1 shows that the maximum commercial/industrial fee of \$0.78 per square foot can be justified in all categories, except for mini-storage development, which can justify a fee of \$0.09 per square foot.

## SECTION B

### RESIDENTIAL FEE JUSTIFICATION

#### INTRODUCTION

This section presents a step-by-step calculation of the residential development fee as authorized by Education Code Section 17620 and Government Code Section 65995. The maximum residential fee that can be charged under Section 65995(b) is \$4.79 per square foot.<sup>1</sup>

#### STEP 1: PROJECT NUMBER OF NEW RESIDENTIAL UNITS

The first step in the analysis is to project the number of residential units to be constructed in the District during the next five years. This can be estimated by evaluating recent development activity and trends in the District, reviewing local agency land use plans, and making reasonable assumptions about future activity.

Residential development activity in the District between January 1, 2012, and December 31, 2021, is shown below on Table B-1.

**TABLE B-1**  
**Fresno Unified School District**  
**RESIDENTIAL UNIT BUILDING PERMITS 2012-2021**

Year	Single Family Units	Multiple Family Units
2012	85	140
2013	111	353
2014	20	30
2015	11	167
2016	18	63
2017	82	94
2018	133	174
2019	106	101
2020	21	319
2021	35	184
5-Year Average	75	174
10-Year Average	62	163

Source: Fresno Unified School District Developer Fee Records

<sup>1</sup>This fee is also known as the “Level 1” fee. Higher “alternative” fees (Level 2 and 3 fees) can only be justified by meeting the requirements of Government Code Sections 65995.5, 65995.6 and 65995.7. This study is not intended to justify alternative fees.

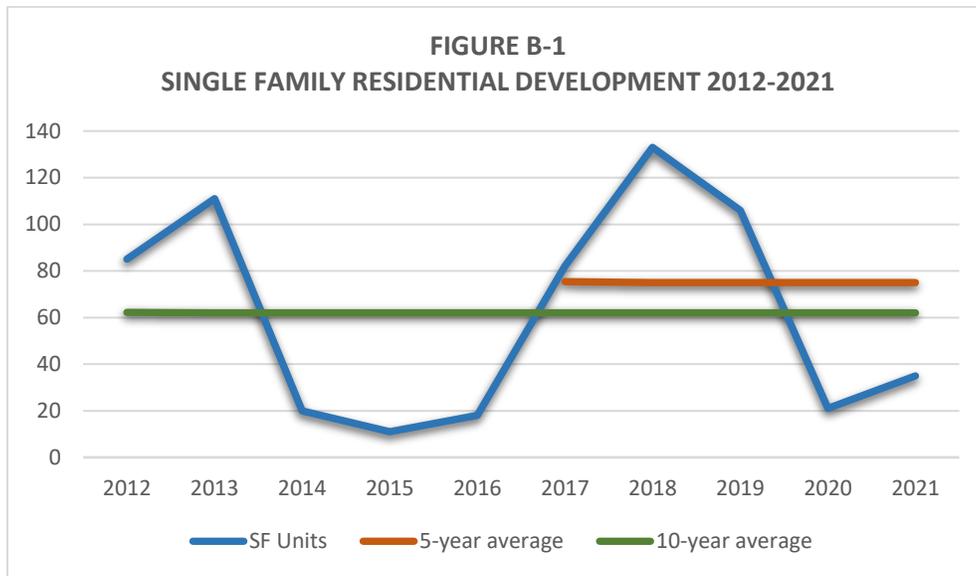


Table B-1 and Figure B-1 indicate that single-family building permit activity during the past ten years peaked at 133 units in 2018, up from only 11 units in 2015, but has since then decreased to 21 units and 35 units, respectively, in 2020 and 2021. The average number of single-family permits over the past five years was 75, as compared to an average of 62 per year during the past ten years.

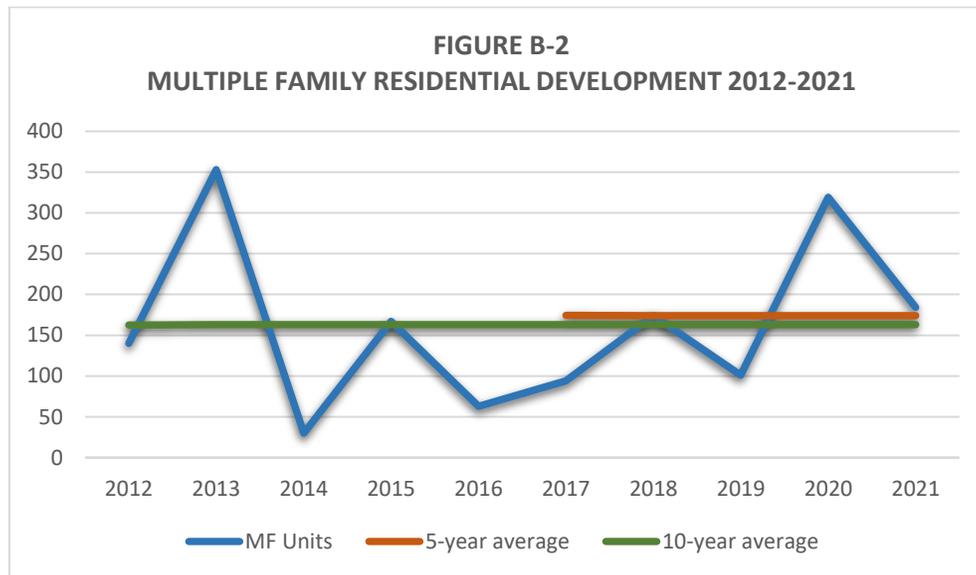


Table B-1 and Figure B-2 show that the number of multiple-family units has varied substantially from year to year from a low of 30 units in 2014 to a high of 353 in 2013. The average for the past five years was 175 units per year and the average for the past ten years was 163 units per year.

The City of Fresno’s General Plan, adopted in December 2014, emphasizes infill and revitalization of existing areas (no sphere expansion), but still allows for substantial new development and population growth. The District does not have large areas of undeveloped land available for development but does have some potential in the southeast portion of the District. Development of multiple family units has become more prevalent in the District in recent years on infill sites and more of this type of development is anticipated.

Projections for residential development during the next five years are presented in Table B-2. Table B-2 projects that approximately 300 single-family units and 800 multiple-family units will be constructed during the next five years. This is a continuation of the annual average rate of development over the past ten years. For single family units, given rising interest rates, limited land availability, and the increasing cost of construction, it is possible that the projections for single family units may be optimistic. The multiple family unit projections, on the other hand, may be conservative given the large demand for affordable units and the increasing trend toward multiple family unit construction in the District. Non-traditional housing projects, such as the conversion of hotels and motels to residential units and state funded residential facilities for the homeless are also likely in the near future.

**TABLE B-2  
Fresno Unified School District  
PROJECTED RESIDENTIAL DEVELOPMENT**

Single Family Units		Multiple Family Units	
Per Year	Five-Year Total	Per Year	Five-Year Total
60	300	160	800

Source: Odell Planning & Research, Inc., 2022

**STEP 2: PROJECT NUMBER OF STUDENTS GENERATED BY  
NEW RESIDENTIAL UNITS**

The number of students generated by new residential units constructed during the next five years is projected by multiplying the student generation rates for residential development in the District by the number of units projected in Step 1. The student generation rates for residential units in the District are shown in Table B-3. The methodology used to determine the student generation rates is detailed in Appendix 1.

**TABLE B-3  
Fresno Unified School District  
STUDENT GENERATION RATES**

Grade Level	Single Family Units	Multiple Family Units
Elementary (TK-6)	.346	.255
Middle School (7-8)	.083	.062
High School (9-12)	.196	.088
Total (TK-12)	.625	.405

Source: Odell Planning & Research, Inc., 2022

Table B-4 shows the projected number of students generated by residential units constructed during the next five years. As indicated by the table, 308 elementary school students, 75 middle school students and 129 high school students are projected to be generated by residential units constructed during the next five years.

**TABLE B-4  
Fresno Unified School District  
STUDENTS GENERATED BY RESIDENTIAL UNITS (NEXT FIVE YEARS)**

Grade Level	Number of Units	Student Generation Rate	New Development Students
<i>Single Family Development</i>			
TK-6	300	.346	104
7-8	300	.083	25
9-12	300	.196	59
<i>Multiple Family Development</i>			
TK-6	800	.255	204
7-8	800	.062	50
9-12	800	.088	70
<i>Total Students From New Development</i>			
TK-6			308
7-8			75
9-12			129

Source: Odell Planning & Research, Inc., 2022

**STEP 3: COMPARE FACILITIES CAPACITY TO ENROLLMENT TO DETERMINE  
WHETHER NEW DEVELOPMENT STUDENTS CAN BE HOUSED**

Table B-5 shows the District’s facilities capacity determined for this study, which is 29,793 for grades TK-6, 10,884 for grades 7-8, and 20,011 for grades 9-12.<sup>2</sup> The capacity includes the additional classroom capacity currently planned to be funded by bond funds.

**TABLE B-5  
Fresno Unified School District  
FACILITIES CAPACITY VS ENROLLMENT  
(Includes Bond Funded Facilities)**

Grade Level	Facilities Capacity	2021 CBEDS Enrollment	Capacity Minus Enrollment
TK-6	29,793	38,447	(8,654)
7-8	10,884	9,581	1,303
9-12	20,011	18,345	1,666

Note: Enrollment includes regular program, continuation and SDC students.

Source: Fresno Unified School District, 2022; Odell Planning & Research, Inc., 2022

Table B-5 compares the District’s 2021 CBEDS enrollment in each grade grouping to the District’s facilities capacity, taking into account planned bond funded capacity. As shown by Table B-5,

<sup>2</sup>The capacity in each grade grouping (TK-6, 7-8 and 9-12) was determined by counting all permanent and portable classrooms; deleting any portable classrooms that are 20 years or older or that are planned to be replaced; adding any permanent classrooms to be funded with bond funds; and deleting any permanent classrooms planned for removal. The total number of classrooms in each grade grouping was then multiplied by state loading factors to calculate the capacities, except for classrooms used for special purposes (such as computer labs, reading labs, speech, tutoring, etc.), which were not loaded.

capacity can be provided for the projected number of grades 7-8 (75) and 9-12 (129) students from new development in Table B-4. However, capacity would not be available for the projected 308 students in grades TK-6 generated by new development.

**STEP 4: DETERMINE COST OF SCHOOL FACILITIES FOR  
NEW DEVELOPMENT STUDENTS**

The cost of school facilities for new development students typically includes school construction/site development costs and site acquisition costs. The school construction/site development costs include buildings, utilities, off-site costs, service site costs and general site development.

For elementary (TK-6) facilities costs, it is reasonable to assume that the District will be providing new elementary facilities during at least the next five years through classroom additions to existing facilities. A classroom addition to Ewing Elementary School currently under construction is considered to be a reasonable estimate of the cost of such projects. Five classrooms will be added at a cost of \$5,720,000. The capacity of the five classrooms, based on the state loading standard of 25 per classroom, is 125. The cost per student is determined by dividing the \$5,720,000 cost by the 125 student capacity, which is \$45,760. Since capacity for new development students will be added to existing sites within the District, no site acquisition costs are included.

Table B-6 shows that the total estimated cost of additional school facilities for projected unhoused students from new development is approximately \$14.1 million.

Since projected new development students in grades 7-8 and 9-12 can be housed in existing facilities, there are no costs facilities costs generated by these students.

**TABLE B-6  
Fresno Unified School District  
COST OF SCHOOL FACILITIES  
FOR PROJECTED UNHOUSED NEW DEVELOPMENT STUDENTS**

Type of Cost	Number of Students	Cost per Student	Cost
<b>Grades TK-6</b>			
Building Construction/Site Development	308	\$45,760	\$14,094,080
Site Acquisition	308	\$0	\$0
<b>Total TK-6 Costs</b>	<b>308</b>	<b>\$45,760</b>	<b>\$14,094,080</b>

Source: Odell Planning & Research, Inc., 2022; Fresno Unified School District, 2022

**STEP 5: REVIEW DISTRICT FUNDING AVAILABILITY**

On March 3, 2020, Measure M was passed by the voters of the District. Measure M approved \$325 million in local bond funds to provide quality schools; increase safety/security; attract/retain teachers; improve career education, technology, science classrooms; remove lead/asbestos; upgrade heating/air conditioning; renovate, repair, construct, acquire, and equip facilities. Potential bond funding for new classrooms and schools has been accounted for in the facilities capacity shown in Step 3, Table B-5, which includes bond funded capacity increases.

Other than bond funds, the District has determined that developer fees are currently the District’s only source of funding for new facilities to serve students from new development. Pursuant to the School Facility Fee Public Information Report provided to the Board of Education on December 8, 2021, the District had \$963,977 available in the developer fee fund.

As indicated in Step 3, Table B-5, the District lacks adequate facilities capacity for 8,654 students in grades TK-6. The cost to provide permanent facilities for inadequately housed students at existing schools was estimated to be \$45,760 per elementary student, which would total approximately \$396 million. The District’s developer fee fund and potential funds from the sale of surplus property would be exhausted by the cost of providing facilities for existing students.

**STEP 6: DETERMINE SQUARE FOOTAGE OF PROJECTED RESIDENTIAL DEVELOPMENT**

The total square footage for residential units anticipated to be constructed in the District during the next five years is presented in Table B-7. This was determined by multiplying the respective average square footages for single-family and multiple-family units by the number of units projected in Step 1, Table B-2. The unit square footages used in the calculation reflects the average square footage for single-family and multiple-family units constructed in the District during the past five years.

**TABLE B-7  
Fresno Unified School District  
PROJECTED RESIDENTIAL SQUARE FOOTAGE  
(Five-Year Period)**

Number/Type of Units	Square Footage Per Unit	Total Square Footage
300 Single Family	2,085	625,500
800 Multiple Family	963	770,400
Total		1,395,900

Source: Odell Planning & Research, Inc., 2022; Fresno Unified School District Developer Fee Records 2018-2021

**STEP 7: CALCULATE SCHOOL FACILITIES COST PER RESIDENTIAL SQUARE FOOT**

Table B-8 determines the cost per residential square foot of providing school facilities by dividing the cost of school facilities for projected students generated by new development (Table B-6) by the projected residential square footage to be constructed in the District during the next five years (Table B-7). The resulting cost per square foot is \$10.10.

**TABLE B-8  
Fresno Unified School District  
RESIDENTIAL COST PER SQUARE FOOT**

School Facilities Cost for New Development Students	Projected Residential Square Footage	Cost Per Square Foot
\$14,084,080	1,395,900	\$10.10

Source: Odell Planning & Research, Inc., 2022

The maximum residential fee that can be charged under Government Code Section 65995(b) is \$4.79 per square foot. Table B-8 indicates that the District can justify charging the maximum fee.

The development fees collected by the District may be used for construction and reconstruction of school facilities, site acquisition, site development, relocatable classrooms on existing or future sites and other facilities necessitated by students generated by new development.

## SECTION C

### COMMERCIAL/INDUSTRIAL FEE JUSTIFICATION

#### INTRODUCTION

This section presents a step-by-step explanation of the methodology used to determine the District's commercial/industrial development fees, as shown in Table C-1. The maximum commercial/industrial fee that can be charged pursuant to Education Code Section 17620 and Government Code Section 65995 is \$0.78 per square foot.

#### STEP 1: DETERMINE SQUARE FOOTAGE PER EMPLOYEE

Commercial and industrial development generates employees, and the children of employees living in the District will need to be housed in District schools. The number of employees per 1,000 square feet generated by various types of commercial and industrial development is shown in Table C-1.<sup>1</sup>

#### STEP 2: DETERMINE NUMBER OF STUDENTS PER EMPLOYEE

The average number of students per employee was determined by using 2020 U.S. Census Bureau American Community Survey (ACS) data for the Fresno Unified School District and 2020-21 CBEDS enrollment information from the California Department of Education (CDE) DataQuest web site. According to ACS data, there were 171,410 civilian employed persons residing the District. The CDE web site indicates that 72,419 students were enrolled in grades TK-12 in the District for the 2020-21 school year. Since no facilities costs will be generated for grades 7-8 and 9-12 in Section B, the number of students has been adjusted to 40,732, which excludes grades 7-8 and 9-12. Dividing 40,732 by 171,410 results in a ratio of 0.238 students per employee. This ratio, however, has been adjusted by including only the estimated percentage of employees that would move into the District as a result of employment opportunities (27.9 percent).<sup>2</sup> The discounted student per employee ratio, therefore, is 0.066 (27.9 percent of 0.238).

#### STEP 3: CALCULATE STUDENT GENERATION RATE PER 1,000 SQUARE FEET

The student generation rate per 1,000 square feet of commercial/industrial development in each category was calculated by multiplying the number of employees per 1,000 square feet by the number of students per employee. (The numbers are presented per 1,000 square feet rather than per square foot for ease of presentation and data manipulation.)

<sup>1</sup> Employee density data from the San Diego Association of Governments (SANDAG) Traffic Generators Manual is used in Table C-1, as allowed by law.

<sup>2</sup> Based on 2020 U.S. Census Bureau American Community Survey data.

**TABLE C-1****Fresno Unified School District  
COMMERCIAL/INDUSTRIAL FEE CALCULATION**

Category	Employees Per 1,000 Square Feet	Students Per Employee	Students Per 1,000 Square Feet	Facilities Cost Per Student	Cost Per Square Foot	Residential Offset	Net Cost Per Square Foot (Justifiable Fee)
Mini-Storage	0.06	0.066	0.004	\$45,760	\$0.18	\$0.09	\$0.09
Warehouse	0.70	0.066	0.046	\$45,760	\$2.11	\$1.02	\$1.09
Lodging	1.11	0.066	0.073	\$45,760	\$3.35	\$1.62	\$1.74
Movie Theater	1.47	0.066	0.097	\$45,760	\$4.44	\$2.14	\$2.30
Industrial Park	1.68	0.066	0.111	\$45,760	\$5.07	\$2.45	\$2.63
Community Shopping Center	1.74	0.066	0.115	\$45,760	\$5.26	\$2.54	\$2.72
Discount Membership Store	1.84	0.066	0.121	\$45,760	\$5.56	\$2.68	\$2.88
Supermarket	2.62	0.066	0.173	\$45,760	\$7.91	\$3.82	\$4.10
Corporate Office	2.68	0.066	0.177	\$45,760	\$8.09	\$3.90	\$4.19
Neighborhood Shopping Center	2.80	0.066	0.185	\$45,760	\$8.46	\$4.08	\$4.38
Bank	2.83	0.066	0.187	\$45,760	\$8.55	\$4.12	\$4.42
Scientific Research & Development	3.04	0.066	0.201	\$45,760	\$9.18	\$4.43	\$4.75
Business Park	3.73	0.066	0.246	\$45,760	\$11.27	\$5.43	\$5.83
Medical Office	4.27	0.066	0.282	\$45,760	\$12.90	\$6.22	\$6.67
Commercial Office	4.71	0.066	0.311	\$45,760	\$14.22	\$6.86	\$7.36

Note: Distribution of cost per square foot between the residential offset and the net cost per square foot may not sum precisely due to rounding.  
Source: SANDAG Traffic Generators Manual, 1990; U.S. Census American Community Survey, 2020; Odell Planning & Research, Inc., 2022

#### **STEP 4: DETERMINE SCHOOL FACILITIES COST PER STUDENT**

The average cost of school facilities per student is \$45,760 and was determined by dividing the cost of providing facilities for new development students determined in Section B, Step 4 (\$14,094,080) by the 308 new development students needing facilities (see Table B-6).

#### **STEP 5: CALCULATE COST PER SQUARE FOOT**

The school facilities cost per square foot for each commercial/industrial category was calculated by multiplying the student generation rate per 1,000 square feet by the average school facilities cost per student, and then dividing the product by 1,000.

#### **STEP 6: CALCULATE RESIDENTIAL OFFSET**

When employees are generated in the District as a result of new commercial/industrial development, fees will also be charged on the new residential units occupied by the employees and students generated by commercial/industrial development. To prevent a commercial or industrial development from paying for the portion of the impact that will be covered by the residential fee, this amount has been calculated and deducted from each category. This is referred to as the “residential offset” and is intended to avoid any possibility of overpayment for the same student impact. The residential offset amount is calculated by multiplying the following factors together and dividing the total by 1,000 (to convert from cost per 1,000 square feet to cost per square foot):

- The student generation rate per 1,000 square feet of commercial/industrial development (excluding grades 7-8 and 9-12).
- The number of dwelling units constructed for each student. This is 3.57, which is derived by taking the weighted average TK-6 student generation rate for projected single and multiple family residential development (.280) and dividing it into one.
- The average square feet per dwelling unit (1,291 sq. ft.). This is the weighted average square footage of projected single and multiple family units, assuming that 27 percent of future units will be single family and that 73 percent of future units will be multiple family (see Table B-2).
- The maximum residential fee that could be charged by the District (\$4.79 per square foot).

#### **STEP 7: DETERMINE NET COST PER SQUARE FOOT (JUSTIFIABLE FEE)**

After subtracting the residential offset, the net justifiable fee for all categories of commercial/industrial development in Table C-1 exceeds the maximum statutory fee of \$0.78 per square foot, except for mini-storage development, which can justify a fee of \$0.09 per square foot.

## SECTION D

### SPECIAL ISSUES

#### INTRODUCTION

This section presents a discussion of special issues related to charging development fees, including redevelopment projects, senior citizen housing projects, residential additions, accessory dwelling units, and conversion of commercial or industrial space to residential units.

#### REDEVELOPMENT PROJECTS

##### Introduction

Some land development projects take place on developed or partially developed land and include the demolition and removal of existing buildings and construction of new buildings on the land. The way that this type of project is handled with respect to school facilities fees will depend upon whether (1) residential development is replacing residential development; (2) residential development is replacing commercial/industrial development; or (3) commercial/industrial development is replacing commercial/industrial or residential development.

##### **Residential Development Replacing Residential Development (Student Generation Cost Comparison)**

For projects that would replace residential development with residential development, we recommend that such projects be handled in the following manner to reasonably estimate the actual net impact it would have on school facilities. For example, if 10 single family units were to be replaced with 30 multiple family units, the net impact/facilities cost would be calculated as shown in the following table:

Number & Type of Unit	Student Generation Rate	Number of Students	Average Cost Per Student*	Facilities Cost
30 MF units	0.405	12.15	\$45,760	\$555,984
10 SF units	0.625	6.25	\$45,760	\$286,000
Net Cost				\$269,984

\*Determined by dividing the cost of providing facilities for new development students determined in Section B, Step 4 (\$14,094,080) by the 308 new development students needing facilities.

Source: Odell Planning & Research, Inc., 2022

From the above example, it is evident that the development of 30 new multiple family units would have a greater impact on school facilities than the 10 single family homes being replaced. The net cost to the District would be \$269,984. However, to be sure that the new multiple-family development is not paying more than the maximum fee of \$4.79 per square foot, the net cost must be divided by the square footage of the new multiple-family development. In this example, the total square footage of the multiple-family development is 30,000 square feet (an average of 1,000 square feet per unit). The net facilities cost of \$269,984 divided by 30,000 square feet results in a fee of \$9.00 per square foot, which is not allowable because it exceeds the \$4.79 maximum fee.

The amount paid would need to be reduced to \$143,700, which is 30,000 square feet x \$4.79 per square foot.

In situations where the new units would generate a lesser number of students than the units replaced, no fee would be charged.

### **Residential Development Replacing Commercial/Industrial Development (Per Square Foot Fee Credit)**

When new residential development is replacing commercial/industrial development, the existing square footage of commercial/industrial development should be credited against the new residential development fee at \$0.78 per square foot. For example, if 150 apartment units totaling 150,000 square feet was replacing 100,000 square feet of commercial/industrial development, the fee would be calculated as follows: (150,000 square feet x \$4.79 = \$718,500) minus (100,000 square feet x \$0.78 = \$78,000) equals a net fee of \$640,500.

The rationale for this methodology is that while various types of commercial/industrial development have different school facilities impacts, the most a commercial/industrial development would have contributed toward school facilities impacts is \$0.78 per square foot (or a prior amount that would have been equal in value to \$0.78 per square foot based upon the construction cost index at the time). Therefore, a straight square foot credit would be inappropriate since residential development is charged a much greater amount (\$4.79 per square foot) due to its direct impact on student generation.

### **Commercial/Industrial Development Replacing Commercial/Industrial or Residential Development (Building Square Footage Credit)**

In accordance with Education Code Section 17620(a)(1)(A), when commercial/industrial development replaces any other development, whether commercial/industrial or residential, a square footage credit for the existing development is to be given. For example, if a 200,000 square foot office development was going to replace 32 single family homes, the fee would be calculated as follows: In this case, the 32 homes average 2,000 square feet each, which equals a total of 64,000 square feet. Therefore, 200,000 square feet minus 64,000 square feet equals 136,000 square feet, and when multiplied by \$0.78 per square foot equals a \$106,080 fee.

While it would appear that the replaced residential square footage should be given a higher weight, based on its higher allowable fee (the reverse of the case in the example under subsection 2,c above), the language of Education Code Section 17620(a)(1)(A) does not allow for this.

## **SENIOR CITIZEN HOUSING PROJECTS**

Senior citizen housing projects are a special case in that the residential units themselves rarely generate school age children. Therefore, it is not appropriate to charge the residential fee for senior housing. Senior housing projects do, however, generate employees, especially in cases where meals or other assisted living functions are provided. Accordingly, senior housing projects more closely resemble commercial/industrial projects when it comes to school impacts, as compared to residential projects that directly generate children. In fact, Government Code Section 65995.1(a) indicates that any fee charged to senior housing is subject to the limits and conditions applicable to

commercial/industrial development. Therefore, the most a district can charge for senior housing is the maximum commercial/industrial fee of \$0.78 per square foot.

### **RESIDENTIAL ADDITIONS**

The law allows fees to be charged for residential additions exceeding 500 square feet. The presumption in the law is that additions of greater than 500 square feet are likely to provide sufficient space to accommodate additional school age children in a dwelling unit. Even if a particular residential addition does not happen to accommodate additional school age children when it is built, it would allow space for future family expansion and when sold would make the unit more attractive for larger families.

### **ACCESSORY DWELLING UNITS**

Accessory Dwelling Units, or ADUs, are separate dwelling units that are constructed either attached to, or within an existing dwelling unit or detached from an existing unit on the same lot. ADUs are separate dwelling units, as opposed to being an addition to an existing unit, and can house a new family that generates students in the same manner as other new residential construction. As a new unit, the exemption for additions to existing units of 500 square feet or less does not apply to an ADU. Thus, ADUs of any size are subject to the residential development fee.

If an ADU is attached to an existing dwelling or constructed detached on the same lot, the residential fee would be charged. If an ADU converts part of an existing residential structure and adds square footage beyond the existing residential structure, a fee would be charged only for the square footage added to the structure and not the converted square footage internal to the existing structure. If an ADU is constructed entirely within an existing residential structure, no fee would be charged. However, if garage space is converted for an ADU or a portion of an ADU, this square footage is chargeable since school fees are not levied on garage space when residential units are constructed.

Note: The impact fee restrictions imposed on ADUs by Senate Bill 13 are only applicable to cities, counties and special districts. School districts are independently authorized to levy fees by Education Code Section 17620, and SB 13 does not restrict the ability of school districts to levy fees on ADUs.

### **CONVERSION OF COMMERCIAL OR INDUSTRIAL SPACE TO RESIDENTIAL USE**

If existing commercial or industrial square footage is converted to residential use, this is considered new residential construction and will be charged the residential fee. This is new residential space that could potentially generate students. Since the space will no longer be used for commercial or industrial purposes, converted space will be charged the difference in the rate of residential and commercial/industrial fees.

## **APPENDICES**

## APPENDIX 1

### STUDENT GENERATION RATE METHODOLOGY

The student generation rates used in the study were determined using an address-match methodology in which address lists for recent dwelling units constructed in the District (as listed in the ParcelQuest online software program) were matched with the addresses of all students residing within the District to determine the number of students residing in the units. Separate lists for single-family and multiple-family units were prepared so that generation rates for each type of unit could be determined. The number of matched students was divided by the number of units to determine the student generation rates.

#### Fresno Unified School District STUDENT GENERATION RATES

Grade Level	Single Family Units	Multiple Family Units
Elementary (TK-6)	.346	.255
Intermediate School (7-8)	.083	.062
High School (9-12)	.196	.088
Total (TK-12)	.625	.405

Source: Odell Planning & Research, Inc., 2022; Fresno Unified School District, 2022

## APPENDIX 2

### COMMERCIAL/INDUSTRIAL DEVELOPMENT PROJECTION

Commercial/Industrial development activity in the District between January 1, 2012, and December 31, 2021, is shown below on Table 2-1.

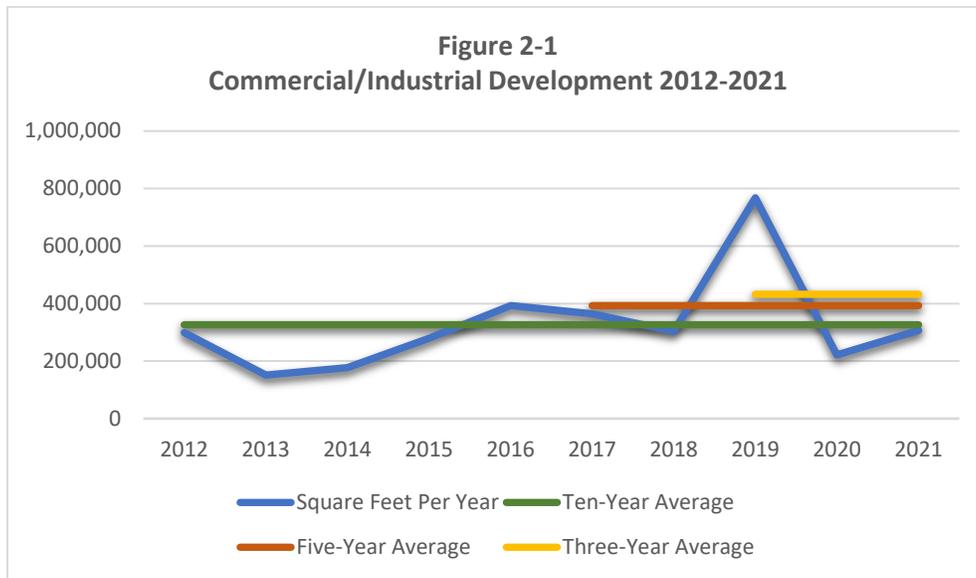
**TABLE 2-1**  
**Fresno Unified School District**  
**COMMERCIAL/INDUSTRIAL DEVELOPMENT 2012-2021**

Year	Commercial/Industrial Building Square Footage
2012	298,525
2013	151,373
2014	176,846
2015	279,303
2016	393,076
2017	364,743
2018	302,935
2019	767,996
2020	221,894
2021	307,075
Ten-Year Total	3,263,766
Ten-Year Average	326,377
Five-Year Total	1,964,643
Five-Year Average	392,929

Source: Fresno Unified School District Developer Fee Records

Table 2-1 and Figure 2-1 show that developer fees were paid for 3,263,766 square feet of commercial/industrial development during the past ten years, ranging from a high of 767,996 square feet in 2019 to a low of 151,373 square feet in 2013. As indicated in Table 2-1 and Figure 2-1, the annual average commercial/industrial development for the past ten years was 326,377 square feet. This is lower than the five-year average of 392,929 square feet.

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Based on the land use designations of the Fresno General Plan, adopted in 2014, the District has land available for future commercial and industrial development, although the supply of such land is diminishing. Most land available for commercial/industrial development appears to be within the Roeding Business Park area and in the vicinity of the Fresno-Yosemite International Airport. Development could also occur on various bypassed parcels in the industrial areas southeast of downtown and along the Herndon Avenue and Freeway 41 corridors.

The average of the past 10 years (\$326,377) is used as a reasonable estimate on which to base the projection of commercial/industrial development in the District for near-term future development. Based on this average, approximately 1,631,885 square feet of commercial/industrial development would be permitted in the District during the next five years.

## APPENDIX 3

### SOURCES CONSULTED

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