Final Draft Report

School Mitigation Fee Justification Study

The Economics of Land Use

Prepared for:

Manteca Unified School District

Prepared by:

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March 2017

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1. EXECUTIVE SUMMARY

Purpose of the Report

This School Mitigation Fee Justification Study (Study) is an update to previous reports used by the Manteca Unified School District (District) to adopt Level 1 fees for residential, nonresidential, and senior housing uses in 2014.

District Background

The capacity for the District is based on Education Code (EC) 17071.10 (including the "year-round" capacity penalty for districts not on multiple-track year-round schedules). A description of the methodology used to determine the District's current capacity is included in **Section 4**. Using this measure of school capacity for schools in operation, the District has a capacity for 15,649 students at K-8 grade levels, 7,424 students at 9-12 grade levels, and 462 special education students. The calculation of net capacity indicates that no capacity exists for students generated from new development.

On February 24, 2016, the State Allocation Board (SAB) increased the Level 1 fee cap for residential development to $3.48 per square foot and increased the cap for nonresidential development and age-restricted senior housing to $0.56 per square foot. Also on February 24, 2016, the SAB adopted increased State School Facilities Program Grant amounts. The District is eligible to assess updated development impact fees authorized under EC Section 17620 and Government Code (GC) Section 65995.

Nexus Evaluation

To determine the number of students expected to be generated by residential development, the student database from the District was compared to County Assessor records for the Fiscal Year 2016-17 secured property tax roll. During the previous 5 years (2010 through 2014) 2,193 new single-family units and 153 new multifamily units were built and occupied. This information is analyzed to determine estimated average building square footage for single-family residential and multifamily residential. The average building square footage is applied to estimated future units to provide the denominator for calculating the estimated cost per building square foot for the school fee justification analysis.

For the purposes of this analysis, EPS reviewed the planned residential projects proposed for the cities of Manteca, Lathrop, and Stockton, and the unincorporated area of San Joaquin County (County) to determine the number of residential units needing access to school facilities. There are approximately 14,187 residential units proposed to be constructed within the boundaries of the District (see **Appendix B** for detail).

Each new single-family residential unit to be constructed in the District is estimated to average 2,245 square feet and to generate 0.610 K-12 students. Each new multifamily residential unit to be constructed in the District is estimated to average 1,102 square feet and to generate 0.608 K-12 students.

Recommended District Fees

This section identifies justifiable Level 1 fees for residential, nonresidential, and senior housing. A summary of the fees is shown in **Table 1**.

Residential

Based on determinations consistent with GC 65995(b), the District is justified in adopting a Level 1 fee of $3.48 per square foot of assessable space of residential construction.

Nonresidential and Senior Housing

The District is eligible to assess fees on nonresidential development up to the statutory limit of $0.56 per square foot (except for self-storage units, which may be assessed up to $0.26 per square foot). The District is eligible to assess fees on age-restricted senior housing of $0.29 per square foot.

Discussion of Sections of this Report

This report is divided into 10 chapters, including this Executive Summary. **Chapter 2** provides an introduction. **Chapter 3** discusses projected development. **Chapter 4** discusses the school facilities needs. **Chapter 5** provides the calculation of state grants. **Chapter 6** discusses the calculation of the Level 1 Fee. **Chapter 7** provides the calculation of Level 1 fees for nonresidential and age-restricted senior housing. **Chapter 8** outlines the Level 1 fee adoption process. **Chapter 9** provides the nexus legislative requirements. The appendices provide supporting information and documents for this report.

Table 1
Summary of School Mitigation Fees

Type of Development	Statutory Fee	Recommended Fees per SF
Statutory Fees		
Level 1		
Residential [1]	$3.48	**$3.48**
Retail [2]	$0.56	**$0.56**
Office [2]	$0.56	**$0.56**
Industrial [2]	$0.56	**$0.56**
Warehouse [2]	$0.56	**$0.56**
Self Storage [2]	$0.56	**$0.26**
Senior Housing [3]	$0.56	**$0.29**

"summary"

[1] From **Table 15**.
[2] From **Table 16**.
[3] From **Table 17**.

2. INTRODUCTION

Background

EC 17620 gives school districts the authority to collect development mitigation fees pursuant to GC 65995 et. seq. Generally, the school facility industry refers to the three levels of fees as Level 1 statutory fees and Level 2 and Level 3 alternative school facility fees. Level 1 fees are assessed on residential, nonresidential, and age-restricted senior housing

EC 17620 grants school district–governing boards the authority to impose Level 1 Fees, up to a specified limit, on new residential and commercial/industrial development to pay for school facilities. Currently, the maximum fee that can be levied (the Level 1 fee or statutory fee) is $3.48 per square foot for new residential development and $0.56 per square foot for nonresidential (commercial and industrial) development and age-restricted senior housing (see **Chapter 8**)

3. PROJECTED DEVELOPMENT

As outlined in **Chapter 2**, the need for new school facilities created by unhoused pupils from new residential development involves several calculations. The need for new school facilities through build out of the District, converted to a dollar amount, is divided by the total square footage of new residential development, which results in a per-square-foot Level 1 fee recommendation. This chapter takes a step-by-step approach to these various calculations to derive the alternative school fees for the District.

Total Square Footage of New Residential Development

The denominator in the basic equation requires an estimation of the total square footage of new residential development projected to be built in the District. This estimation involves two calculations. For the first calculation, a determination of the total number of new residential units to be constructed in the District must be made. The second calculation involves establishing an average square-footage size of residential units. Multiplying these two calculations provides the denominator in the basic equation.

Total New Residential Units

The District has identified all residential development projects and developed an estimate of the number of residential units that could be constructed. The development projects may have approved final maps, tentative maps, master plans, or specific plans. There are a total of 14,187 identified residential units. A detailed list is shown in **Appendix B**.

Average Size of New Residential Units

Based on building permit data collected by the District for homes built during the last 5 years, the average size of future single-family units will be 2,245 square feet and future multifamily units will be 1,102 square feet. See **Table 2** for detail.

Table 2
New Residential Units 2010 to 2014

Calendar Year	Single-Family Units [1]	Total Square Footage	Multifamily Units [1]	Total Square Footage
2010	558	1,021,059	0	0
2011	328	746,456	153	168,666
2012	446	943,146	0	0
2013	428	1,045,933	0	0
2014	370	1,024,639	0	0
Total	**2,130**		**153**	
Average	**426**	**2,245**	**31**	**1,102**
Percent of Total	**93%**		**7%**	

"new_units"

Sources: Manteca USD and San Joaquin County Assessor

[1] From Manteca USD permit and fee records.

4. SCHOOL FACILITY NEEDS

Multiple calculations and adjustments are required when determining the need for new school facilities. Generally, the formula involves calculating the estimated facility construction costs, the site development costs, and the site acquisition costs.

Unhoused Students from New Development

The Study will project the number of unhoused elementary, middle, and high school pupils generated by new residential units in each category of pupils enrolled in a school district. This projection of unhoused pupils is based on student generation rates of existing residential development throughout the District. Student enrollment records were matched with San Joaquin County Assessor's records to identify students coming from existing development within the school district boundaries. Students coming from existing development outside of district boundaries are excluded from the calculation of student generation rates. Not all enrollment records could be matched with valid addresses contained in County Assessor's data. Efforts were made to try to validate addresses and match them with the appropriate property records.

Although GC 65995.6(g) defines "type" of residence as single-family detached, single-family attached, manufactured and mobile homes, condominiums, and multifamily housing units, this report only uses the single-family and multifamily designations because the number of other units is statistically insignificant. This report calculates the student generation rates for each type of unit and multiplies it by the projected residential housing units of these two types.

Student Generation Rates

The student database from the District was compared to County Assessor records for the Fiscal Year 2016-17 secured property tax roll. **Table 3** shows the detailed calculation for the student generation rates by grade level. While the District intends to build K-8 and high school facilities for new students, **Table 3** shows the number of students from new housing attending elementary schools, middle schools, and high schools. This information is used later in the analysis to determine state grant funding by grade level for new school facilities.

Table 3
Student Generation Rates

Housing Type	Residential Units	Number of Students K-6	7-8	9-12	Student Generation Rates K-6	7-8	9-12	K-12
Single Family Detached	30,528	10,274	3,070	6,417	0.337	0.101	0.210	0.647
Condominium	1,615	225	36	109	0.007	0.001	0.004	0.229
Mobile home	1,554	171	36	85	0.006	0.001	0.003	0.188
Duplex/Halfplex	241	702	221	262	0.023	0.007	0.009	4.917
Triplex/Fourplex	888	207	53	79	0.007	0.002	0.003	0.382
Apartments	2,829	613	137	283	0.020	0.004	0.009	0.365
Totals	**37,655**	**12,192**	**3,553**	**7,235**	**0.324**	**0.094**	**0.192**	**0.610**

"sgr_calc"

Sources: ESRI, Manteca Unified School District, and EPS.

Student generation rates were further refined to calculate the students per household for single family and multifamily residential uses. While the District builds K-8 school facilities, state grants vary for K-6 and 7-8 school facilities, so it is necessary to identify student generation rates for elementary and middle school facilities. **Table 4** shows the calculation of these student generations rates for these facility types.

Table 4
Student Generation Rates for Single-Family and Multifamily Residential Units

Residential Land Use	Grade Level K-6	7-8	9-12	K-12
Students				
From Single-Family	10,670	3,142	6,611	20,423
From Multifamily	1,522	411	624	2,557
Totals	12,192	3,553	7,235	22,980
Housing Units				
Single-Family	33,697	33,697	33,697	33,697
Multifamily	3,958	3,958	3,958	3,958
Totals	37,655	37,655	37,655	37,655
Single-Family Units	0.317	0.093	0.196	0.606
Multifamily Units	0.385	0.104	0.158	0.646
All Residential Units	0.324	0.094	0.192	0.610

"SGRs"

Sources: ESRI, Manteca Unified School District, and EPS.

Projected New Students

The student generation rates are used to determine the number of students that may come from new development through build out of the developable areas of the District. These projected numbers of students will be used later in the analysis to calculate state grant revenues that could be available to the District. These student projections are also used to determine the facility requirements needed to house these students and to develop costs of new facilities. See **Table 5**. The District has identified all proposed residential development projects. These projects are shown in **Table B-1**.

Table 5
Projected New Students from Proposed Residential Units

Description	Units [1]	SGR [2]	Students
Projected Single-Family Units	12,696	0.606	7,695
Projected Multifamily Units	1,491	0.646	963
Totals	**14,187**		**8,658**

"new_students"

[1] From **Table 7**.

[2] From **Table 4**.

Housing of Projected New Students

In considering the housing of new students, the Study analyzes the following areas to determine if the school district can house new students in current facilities or with monies currently available to construct new classrooms:

1. Identify and consider any surplus property owned by the school district that can be used as a school site or is available for sale to finance school facilities.

2. Identify and consider the extent to which projected enrollment growth may be accommodated by excess capacity in existing facilities.

3. Identify and consider local sources, other than fees, charges, dedications, or other requirements imposed on residential construction, available to finance construction or reconstruction of school facilities needed to accommodate any growth in enrollment attributable to the construction of residential units.

Consider Local Resources

Surplus Property

The District has certified five school sites as unused. One of these sites, North Manteca (Union Ranch), was purchased with Fund 25 (Development Impact Fees) and Fund 21 (Measure M GO Bonds) revenues. If this site were to be sold, a portion of the proceeds would be returned to Fund 25 and would be available for new school construction and other authorized uses of development impact fees. This is discussed further in **Chapter 6**.

Excess Capacity

Table 6 shows the calculation of existing capacity and compares it to current District enrollment. The base capacity of 24,167 shown is from **Appendix A**. Base capacity was provided by the District. Base capacity is based upon state guidelines for the number of students per classroom at various grade levels. The actual class loading may differ based upon District policies and needs.

The 2015 California Basics Education Data System (CBEDS) enrollment was based upon information provided by the District to the California Department of Education. The 2015-16 enrollment was 23,204. When comparing the base capacity to 2015-16 enrollment, the District has some existing capacity to accommodate students coming from future growth.

The calculation of excess capacity does not take into consideration relocatable classrooms leased from the State or portable classrooms leased for fewer than 5 years.

Table 6
Summary of School District Capacity

Description	K-6	7-8	9-12	K-12
Base Capacity [1]	12,132	3,924	8,111	24,167
2015 CBEDS Enrollment [2]	12,218	3,521	7,465	23,204
Excess/(Shortfall)	(86)	403	646	963
Available Capacity	**(86)**	**403**	**646**	**963**

"capacity"

Sources: Manteca USD, California Basic Education Data System (CBEDS), and the State Allocation Board.

[1] Provided by MUSD.

[2] From the December 2015 CBEDS enrollment.

Capacity Funded by Existing Development

Existing development has been required to pay the current development impact fee amount per square foot of development. These funds are placed in Fund 25 as the local match for State grants for new school facility construction.

Determination of Unhoused Students from New Development

In order to identify the capacity at the District's current facilities to house students projected to be generated by residential development the District must determine the capacity of their current facilities. For the purposes of this Report the District has utilized the methodology outlined in Education Code Section 17071. The following is a simplified explanation of the methodology utilized.

Each school district that elected to participate in the State's new construction funding program was required to determine an initial Baseline Capacity. In the District's case this determination was made in 2016. The Baseline Capacity is made up of two components:

Permanent Classrooms - The school district identifies each permanent teaching station and applies the State mandated loading standard of 25 students in grades kindergarten – 6th and 27 students in grades 7th – 12th.

Relocatable Classrooms - The school district identifies each relocatable teaching station and applies the State mandated loading standard of 25 students in grades kindergarten – 6th and 27 students in grades 7th – 12th. However, portable teaching stations in excess of 25% of the number of permanent teaching stations are not included in the calculation. This reflects the desire of the State and school districts to keep the total number of relocatable classrooms within reason.

School districts must adjust their capacity by adding any teaching stations purchased or constructed after the establishment of the Baseline Capacity utilizing the same State mandated loading standards. **Appendix A** shows the District's Baseline Capacity and subsequent adjustments. The District's capacity calculated pursuant to Education Code Section 17071 may not reflect the actual classroom utilization and educational programing of the District. Individual classrooms may be loaded at different levels or utilized for academic support activities. Academic support activities include music, art, computer and language labs, resource specialist rooms and other pull-out classes.

The District estimates the base student capacity for all school facilities is 24,167 (See **Appendix A** for detail). Based upon the 2015 CBEDS enrollment, the District has current excess capacity of 963 students. **Table 6** shows a total of 963 K-12 students of available capacity.

Table 5 showed that there are an estimated 8,658 new students coming from projected new development. As such, there is existing capacity for some of these new students.

The 963 students are allocated to school grade and program areas based on the percentage of students in each category or program to the total students shown in base capacity reports. **Table 7** shows the allocation of students in K-6, 7-8, and 9-12. Projected students from **Table 5** are shown, and using excess capacity determinations, the total unhoused students are determined. The unhoused students are the 8,658 students that will not be housed in existing schools with a total excess capacity of 963. There are a projected 7,258 unhoused students coming from new development through build out.

Funded Capacity

Fund balances in Fund 25 are mitigation fees from new development for which new school facilities are planned but not yet constructed. As of January 1, 2017 there was a fund balance of $20,566,452. Using the assumed cost per student to fund the cost of constructing new K-8 and 9-12 facilities, this balance is converted into per student "funded capacity" in **Table 7** and used to reduce the total number of unhouses students. The 7,258 unhoused students in **Table 7** includes the reduction for funded capacity. See **Appendix C** for detail calculations of the funded capacity.

Table 7
Summary of Projected Unhoused Students

Description	Single-Family K-6	Single-Family 7-8	Single-Family 9-12	Multifamily K-6	Multifamily 7-8	Multifamily 9-12
Projected Units [1]	**12,696**			**1,491**		
Student Generation Rate [2]	0.317	0.093	0.196	0.385	0.104	0.158
Projected Students	4,020	1,184	2,491	573	155	235
Available Capacity	(86)	403	646	0	0	0
Funded Capacity [3]	(339)	0	(98)			
Unhoused Students	**3,767**	**781**	**1,747**	**573**	**155**	**235**

Total K-6 Unhoused Students	**4,340**
Total 7-8 Unhoused Students	**936**
Total 9-12 Unhoused Students	**1,982**
Total Unhoused Students - K-12	**7,258**

"unhoused"

[1] Approximately 89 percent of the residential units in the District are single family units The 14,187 residential units shown in **Table 5** are allocating using the ration of single family to multifamily for the remaining residential units to be built in the District.

[2] From **Table 4**.

[3] Development impact fees collected for school facility construction that have not been expended to date are converted to school capacity equivalents to reduce the calculation of unhoused students coming from future new development. See **Appendix C** for the calculation of school capacity equivalents.

5. STATE GRANT CALCULATION

At the time of this report it is uncertain whether or not the District will receive or be eligible for state grants that are intended to partially fund new school facilities required to house new students. The determination of the eligibility for imposition of Level 1 Fees requires that this report assume that such grants are available for the District

The 7,258 unhoused students shown in **Table 7** are used to determine the amount of such state grants for per student grants for facility construction, for site acquisition, and for site development.

Unhoused Student State Grant Amounts

Table 8 shows the unhoused student State grant calculation. These amounts were established by using the base grants established by the SAB in accordance with EC 17072.10(a) and (b). The amounts also include the increase to the base grant for fire alarm and sprinkler systems and for labor compliance. **Table D-1** shows the calculation used to blend special education funding with regular education funding to determine the grant amounts used in **Table 8**.

Table 8
Unhoused Student Facility Construction State Grant Amounts

Description	Facility Type K-6	7-8	9-12	Totals
Unhoused Students	4,340	936	1,982	7,258
State Grant per Student [1]	$11,387	$12,024	$15,036	
Total State Grants	**$49,419,119**	**$11,249,869**	**$29,801,496**	**$90,470,484**

"costs"

[1] State grants include amounts pursuant to EC 17072.10, plus allowable adjustments. See **Table D-1** for detail.

Site Acquisition Costs

Based on the number of unhoused students from **Table 7**, the District would need to acquire a total of 105.51 acres for a K-8 school site and 66.07 acres for a 9-12 school site. The District currently owns 46.9 acres designated for K-8 sites and 50 acres designated for a 9-12 school facility. The District would need to acquire an additional 58.61 for new K-8 school facilities. The District would need to acquire an additional 16.07 acres for the 9-12 campus to house new 9-12 students. **Table 9** shows the estimated State funding for a 9-12 school site acquisition. See **Appendix D** for a summary of state grant amounts.

Table 9
Unhoused State Grant Amounts for Site Acquisition

Description	Facility Type K-8	9-12
Unhoused Students	5,276	1,982
Students per School [1]	1,000	1,500
School Required	5.28	1.32
Standard Site Size (acres) [2]	20	50
Acres Required	105.51	66.07
Site Acreage Owned by the District [3]	46.90	50.00
Acreage Required to be Acquired	58.61	16.07
One-Half of Site Acquisition Costs per Acre [4]	$175,000	$175,000
Total State Site Acquisition Grants	**$10,257,233**	**$2,811,667**

"site_acq"

Source: Manteca Unified School District and EPS.

[1] Typical school sizes for the purposes of calculating grants. Actual school sizes may vary.

[2] Gross acres required includes the Department of Education net acreage recommendations plus 10 percent for land lost to streets and other dedications.

[3] From Certification of Unused Sites for the District dated May 23, 2016. Allocated to each facility type based on demand.

[4] Based on recent school site acquisitions in the region.

Site Development Costs

Based on the site development costs for recently completed schools in the region, **Table 10** shows the estimated State funding for one-half of the site development costs. State funding includes the estimated site development costs, as well as general site grants.

Table 10
Unhoused State Grant Amounts for Site Development

Description		Facility Type K-8	Facility Type 9-12
Site Development Grant			
Acres Required (From **Table 8**)	*a*	105.51	52.85
One-half of Site Development Costs per Acre [1]	*b*	$105,000	$105,000
Per-acre Grant for General Site Improvements	*c*	$14,808	$14,808
Total Grant for Site Development	*d = b + c*	$119,808	$119,808
Subtotal (Per-Acre Grants)	***e = a * d***	**$12,641,273**	**$6,332,252**
Per Student Site Development Grant			
Unhoused Students from New Development	*f*	5,276	1,982
Per-Student Grant for General Site Improvements	*g*	$510	$575
Subtotal (Per-Student Grants)	***h = f * g***	**$2,690,575**	**$1,139,650**
Total State Site Development Grants	***I = e + h***	**$15,331,848**	**$7,471,902**

"site_dev"

Source: District, Office of Public School Construction.

[1] Provided by California Financial Services.

Total State Grants

Table 11 shows total state grants. This is the sum of the facility construction cost grants, site acquisition costs, and site development costs. These grants will be used to reduce the total estimated construction cost of new facilities required to house all new unhoused students.

Table 11
Total State Grants

Description	Facility Type K-8	9-12
Total State Grants [1]	$60,668,988	$29,801,496
Total State Site Acquisition Costs [2]	$10,257,233	$2,811,667
Total State Site Development Costs [3]	$15,331,848	$7,471,902
Total State Grants	**$86,258,069**	**$40,085,065**
Grand Total State Grants		**$126,343,134**

"state_costs"

[1] From **Table 8**.

[2] From **Table 9**.

[3[From **Table 10**.

6. LEVEL 1 FEE CALCULATION

In this chapter, the justified Level 1 fee will be determined, thereby providing support for the imposition of a Level 1 fee for new development in the District.

Level 1 Fee Calculation

Table 12 shows the total estimated costs of facility construction required to house students coming from new development. **Table 13** shows the calculation of square footage of projected development. **Table 14** shows the calculation of the justified fee for single-family and multifamily units, which is based on State grants. **Table 15** shows that Level 1 fees of $3.48 are justified for the District for single-family and multifamily residential development.

Table 12
School Facility Costs for Unhoused Students

School Facilities Costs			
School Facility Capacity	1,000	1,500	
Unhoused Students	5,276	1,982	
School Facility Requirements for Unhoused Students	5.28	1.32	
Per Student School Facility Costs [1]	$47,725	$73,306	
School Facility Costs for Unhoused Students	**$251,781,159**	**$145,292,969**	**$397,074,128**
Credit for Current School Sites Owned			
Acres of Land Owned by District [2]	46.90	50.00	
Assumed Cost per Acre [1]	$250,000	$250,000	
Credit for Owned Land	$11,725,000	$12,500,000	**$24,225,000**
Adjusted Facility Costs for Unhoused Students			**$372,849,128**
State Grants			
Unhoused Student Grant [3]	$60,668,988	$29,801,496	
Site Acquisition Grant [2]	$10,257,233	$2,811,667	
Site Development Grant [4]	$15,331,848	$7,471,902	
Total State Grants	**$86,258,069**	**$40,085,065**	**$126,343,134**
Net Costs for New School Facilities for New Development			**$270,730,994**

"fac_costs"

[1] Provided by California Financial Services.

[2] From **Table 9**.

[3] From **Table 8.**

[4] From **Table 10.**

Table 13
Projected Development Square Footage

Description	Single-Family	Multifamily
Projected Units through Buildout [1]	12,696	1,491
Estimated Average Size per Unit (sq. ft.) [2]	2,245	1,102
Subtotals (sq. ft.)	**28,498,333**	**1,643,917**
Total Development (sq. ft.)	**30,142,250**	

"proj_sqft"

Source: Manteca USD, City of Manteca, and EPS.

[1] From **Appendix B**.

[2] Based on the records of the District from 2010 to 2014.

Table 14
Calculation of Justified Fee

Description	Amount
Total Facility Costs [1]	$372,849,128
Less State Grants [2]	*($126,343,134)*
Total Facility Costs for Unhoused Students	$246,505,994
Total Development (sq. ft.) [3]	30,142,250
Justified Fee ($/sq. ft.)	**$8.18**

"justified_fee"

[1] From **Table 12**.

[2] From **Table 11**.

[3] From **Table 13**.

Table 15
Level 1 Fee Justification

Description	Amount
Justified Fee	$8.18
Level 1 Fee	$3.48
Justified Level 1 Fee	**$3.48**

"level1_fee"

Other New Construction Funding Sources

The District has formed four Mello-Roos Community Facilities Districts (CFDs) on new development that has occurred in Manteca, Lathrop, and Stockton. Revenues and CFD bond proceeds have been used to supplement developer impact fees and State grants in the construction of new schools serving these communities. The Level 1 fee and State grants do not fully fund the costs of constructing new schools, so the CFDs are used to augment these funding sources and are not intended to replace either of these two funding sources.

7. NONRESIDENTIAL AND SENIOR HOUSING FEES

Nonresidential Impacts

New retail, office, industrial, and warehouse development creates new jobs and increases the demand for housing. Some new employees will move into existing housing, others into new housing, and others into housing in other school districts. As new households move into the District, the schools are directly impacted by the additional students added by these households. The impact of new students generated by new housing is mitigated by the residential school impact fee.

For the existing housing base, the impact on the District occurs when a new household with school-aged children moves into the District. A new household with school-aged children that replaces an existing household without school-aged children affects the District in the same way as a new household with children moving into a new home: the District is impacted by the new students. For existing homes, this is an impact that is not covered by residential development impact fees because these fees are charged only on new homes. A nonresidential development impact fee will help mitigate the impact of these new households.

Table 16 shows the school facility impact calculation for each nonresidential land use category. **Appendix E** provides backup census and housing projection data used in the calculation. The cost impact per 1,000 building square feet is based on the number of employees generated by 1,000 square feet of new nonresidential development and the subsequent number of new households with school-aged children moving into existing homes without school-aged children. This number of new households is multiplied by the facility costs caused by a new household to arrive at the school facilities cost attributable to each 1,000 square feet of commercial development. The cost per 1,000 square feet for each nonresidential land use is converted to a cost per square foot.

The SAB established the K-12 nonresidential development fee limit at $0.56 per square foot of nonresidential building area. Fees can be collected up to this limit if they can be justified by the nexus requirements. The calculated K-12 impact of new nonresidential development exceeds the statutory limit of $0.56 per square foot for all nonresidential development, except self-storage units, which cannot exceed $0.26 per square foot.

Table 16
Nonresidential Fee Justification

Description		Office	Retail	Industrial	Warehouse	Self Storage
Square Fee per Employee [1]	*a*	300	500	750	1,400	15,500
Employees per 1,000 Sq. Ft.	*b = 1,000 / a*	3.33	2.00	1.33	0.71	0.06
Percentage of Employees Forming Households [2]	*c*	62%	62%	62%	62%	62%
Households per 1,000 Sq. Ft.	*d = b * c*	2.06	1.24	0.82	0.44	0.04
Share of Households Moving into New Housing [3]	*e*	21%	21%	21%	21%	21%
Share of Households Moving into Existing Housing [3]	*f = 1 -e*	79%	79%	79%	79%	79%
Households Moving in Exisiting Housing per 1,000 sq. ft.	*g = d * f*	1.63	0.98	0.65	0.35	0.03
Share of Households with School Age Children Moving into Existing Housing and Replacing Households with no Children in the District [2]	*h*	24%	24%	24%	24%	24%
Households Moving into Existing Housing and Adding Children to the District per 1,000 sq. ft.	*I = g * h*	0.39	0.23	0.16	0.08	0.01
School Facilities Costs per Dwelling Unit [4]	*j*	$34,041	$34,041	$34,041	$34,041	$34,041
School Facilities Costs Assigned to 1,000 Sq. Ft. per Dwelling Unit	*k = I * j*	$13,293	$7,976	$5,317	$2,849	$257
Cost per Sq. Ft.	*I = k / 1,000*	$13.29	$7.98	$5.32	$2.85	$0.26
Maximum School Mitigation Fee per Sq. Ft.	*m*	$0.56	$0.56	$0.56	$0.56	$0.56
Surplus/(Shortfall) per Sq. Ft.	*n = m - I*	($12.73)	($7.42)	($4.76)	($2.29)	$0.30
Recommended Fee		**$0.56**	**$0.56**	**$0.56**	**$0.56**	**$0.26**

"nonres_fee"

[1] Source: San Diego Traffic Generators, 1990 (SANDAG) and EPS.

[2] See Table E-**1** for detail.

[3] See Table E-**2** for detail.

[4] Based on total single-family costs from **Table D-2**.

Senior Housing Fee Impacts

Age-restricted senior housing projects require residents to be 55 years old or older; therefore, school-aged children will not be generated directly by these projects. Senior projects, however, do cause an increase in the need for support services, such as retail, travel, banking, healthcare, and entertainment. Additional workers come to the project to fill the jobs provided by the increased support services. The workers bring with them school-aged children. As with nonresidential projects, it can be stated that the senior housing project indirectly impacts school facilities. By law, development impact fees are limited to the maximum nonresidential fee as long as they are justified by nexus requirements.

This impact may not occur immediately after construction of the senior units. As the senior community builds out, the need for the support services will occur over time. Because there is no ability to collect the fee at the time the school impact occurs after senior housing construction, the impact fee is being estimated before development and will be collected at the time the unit is constructed.

Table 17 shows the justification for the senior housing fee for school facilities. **Appendix E** includes supporting census and housing projection data used in the calculation. As mentioned above, senior housing generates the need for more services, which are filled by new employees. The senior housing impact is calculated by estimating the number of new jobs generated by one senior housing unit, then the subsequent number of new local households with school-aged children replacing existing households without school-aged children. This number of new households is multiplied by the facility costs caused by a new household to arrive at the school facilities cost caused by one new senior housing unit. This cost is converted to a cost per square foot.

The number of jobs generated by one senior housing unit on which this calculation was based was estimated by the relative per-capita expenditures as a percentage of income in a variety of retail/service industries for the State. The number of jobs generated by one senior housing unit on which this calculation was based was estimated using data from the Consumer Expenditure Survey from the United States Bureau of Labor Statistics and the Economic Census from the United States Census. The Consumer Expenditure Survey provides data for households at a variety of income levels, detailing the amounts that typical households spend on things like "Food at Home," "Apparel and Services," and "Vehicle Maintenance and Repairs." The household's typical expenditures were converted to the number of jobs created by their spending. The first step in this process is to determine how much of an industry's gross receipts are used to pay wages and employee compensation. EPS relied on data from the Economic Census,[1] which provides employment, gross sales, and payroll data by industry for the Manteca area. In certain instances, Manteca area data were not available for every Economic Census industry—in those cases, EPS relied on statewide Economic Census data for that industry.

[1] Note that the Consumer Expenditure Survey data is based on information current as of 2010. The latest data available for the Economic Census was published in 2007. Because these data sources are from different years, EPS converted the 2010 expenditures to 2007 dollars using the Consumer Price Index (CPI) for the San Francisco Metropolitan Statistical Area (MSA) from the Bureau of Labor Statistics.

Table 17
Senior Housing School Mitigation Fee Justification

Description		Per Senior Housing Unit
Direct Employees Generated per New Unit [1]	*a*	0.17
Share of Employees in Local Area [2]	*b*	25%
Percentage of Employees Forming Head of Households [2]	*c*	62%
New Households per Senior Housing Unit	*d = a * b * c*	0.03
Share of Households Moving Into New Housing [3]	*e*	21%
Share of Households Moving into Existing Housing [3]	*f = 1 - e*	79%
New Households Moving into Existing Housing per Senior Housing Unit	*g = d * f*	0.021
Share of Households with School Age Children Moving into Existing Housing and Replacing Households with no Children in the District [2]	*h*	41%
Households Moving into Existing Housing and Adding Children to the District per Senior Housing Unit	*I = h * g*	0.008
School Facilities Costs per Dwelling Unit [4]	*j*	$34,041
School Facilities Cost Caused by Senior Housing Unit	*k = i * j*	$288
Cost per 1,000 Sq. Ft. of Senior Housing	*l = k / 1,000*	$0.29
Maximum School Mitigation Fee per Sq. Ft.	*m*	$0.56
Surplus/(Shortfall) per Sq. Ft.	*n = m - l*	$0.27
Recommended Fee		**$0.29**

"senior_fee"

[1] From **Table E-3**.

[2] From **Table E-1**.

[3] From **Table E-2**.

[4] From **Table D-2**.

To link the Economic Census data and the Consumer Expenditure Survey data, EPS made determinations as to the industries involved with expenditures in various categories. For example, purchases in the Consumer Expenditure Survey's "Food at Home" category likely would involve the Economic Census' "Food & Beverage Stores" industry. By contrast, purchases in the Consumer Expenditure Survey's "Entertainment Fees and Admissions" category were attributed to the Economic Census' "Arts, Entertainment, and Recreation" industry. Where more than one Economic Census category was attributable to a Consumer Expenditure Survey category, EPS estimated the proportion of expenditures associated with each Economic Census category.

It is important to note that the nonresidential fee does not pay for all of the nonresidential impact and has left a shortfall. This gap could, in part, be lessened by a fee imposed on senior housing. The calculated impact for age-restricted senior housing is less than the maximum allowable fee of $0.56 per square foot; therefore, the District is justified in assessing up to $0.29 per square foot on age-restricted senior housing development, based on the calculations shown in **Table 17**.

8. ADOPTION PROCESS FOR STATUTORY FEES

It is recommended that the District's governing board, subject to meeting all applicable legal requirements, establish fees for residential, nonresidential, and senior housing projects by resolution at a public hearing after this STUDY has been made available to the public for at least 10 days and advertised twice in a newspaper of general circulation during each of the 2 weeks before the public hearing.

GC 66016 requires that the public have the opportunity to review and comment on "data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service."

The statutory residential, nonresidential, and senior housing fees will become effective 60 days after adoption of the fees by resolution. The next scheduled increase in the cap on Level 1 residential, nonresidential, and age-restricted senior housing fees is scheduled for January 2018.

9. NEXUS LEGISLATIVE REQUIREMENTS AND FINDINGS

Nexus Legislative Requirements

This report establishes eligibility and justification to assess alternative school fees and nonresidential and senior housing fees pursuant to EC 17620 et. seq., GC 65995 et. seq., and the provisions of GC 66000 et. seq. These sections, among other things, grant school district–governing boards the authority to impose development fees, up to a specified limit, on new development to pay for school facilities.

GC 65995.6 describes the calculation of the nexus between enrollment growth from new residential development and the need for new facilities. In part it states:

> *The school facilities needs analysis … shall be conducted by the governing board of a school district to determine the need for new school facilities for unhoused pupils that are attributable to projected enrollment growth from the development of new residential units over the next 5 years.*

Assembly Bill 1600, which created GC 66000 et. seq., sets forth the procedural requirements for establishing and collecting development impact fees. These procedures require that "a reasonable relationship or nexus must exist between a governmental exaction and the purpose of the condition." Specifically, each public agency imposing a fee must make these findings:

- Identify the purpose of the fee.
- Identify how the fee is to be used.
- Determine how a reasonable relationship exists between the fee's use and the type of development project on which the fee is imposed.
- Determine how a reasonable relationship exists between the need for the public facility and the type of development project on which the fee is imposed.
- Demonstrate a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.

GC 65995.5(f) requires that such fees be "expended solely on the school facilities identified in the needs analysis as being attributable to projected enrollment growth from the construction of new residential units." GC 65995(g)(3) permits fees from nonresidential and senior housing projects to be expended on "any school-related considerations relating to a school district's ability to accommodate enrollment."

Nexus Findings

The District must make these specific findings:

- The purpose of the school fee is to provide school facilities for students generated by new development in the District. The fee will be used to fund elementary facilities for K-12 students for which there is no other reasonable funding source.
- The District will use the alternative fees to expand existing schools or construct new schools necessary to provide adequate school facilities for students from new development.
- Development of new residential land uses in the District will generate additional K-8 students and the need for school facilities to house them. Because current K-8 school facilities are overcapacity, based on State standards, new facilities must be constructed. The fees will be used to fund new development's pro rata share of necessary school facilities.
- New residential development through buildout will result in the direct increase of K-12 students to be served by the District. Because the District does not have current capacity to serve all additional students adequately, new school facilities must be constructed to serve future additional students.
- As shown in this STUDY, the amount of development impact fees is based on the State formula for mitigating the impacts of new development.
- The District may use revenue from some or all of the following sources to provide school and support facilities in the District:
  - State Funding.
  - School Mitigation Agreements.
  - Statutory and Alternative School Fees.
  - Nonresidential and Senior Housing Fees.
  - Mello-Roos CFDs.
  - GO Bonds.

Further Discussion

The study does not anticipate substantial infill development or redevelopment. Thus, the study does not address a residential fee for reconstruction of buildings demolished for the purpose of redevelopment.

Where commercial and industrial construction is concerned, the chargeable space does not include the square footage of any existing structure on the site as of the date of the building permit issued for new construction. If the developer pays the fee for the square footage of the entire commercial or industrial structure, including the existing portion, a credit will be applied for the square footage of the existing portion (EC 17620).

A fee is not chargeable for reconstruction of existing structures destroyed as a result of a natural disaster. The District may charge a fee for the square footage that exceeds the square footage of the original, destroyed structure (EC 17626).

APPENDICES:

Appendix A: School Facility Enrollment and Capacity

Appendix B: Proposed Residential Developments in the District

Appendix C: Fund 25 Funding Capacity

Appendix D: State Grant Calculation Worksheets

Appendix E: Census and Household Data

APPENDIX A:

School Facility Enrollment and Capacity

Table A-1 School Facility Enrollment and Capacity

State Application	Item	Elementary School (Grades K-6)	Middle School (Grades 7-8)	High School (Grades 9-12)
NA	Baseline Capacity (SAB Form 50-02)	7,825	1,458	3,915
NA	Non-Severe/Severe Capacity	137	25	72
50/68593-00-001	Great Valley Elementary	225	37	0
50/68593-00-002	Sierra High	0	0	270
50/68593-00-003	South Manteca Elementary	750	300	0
50/68593-00-004 [1]	Woodward Ave/Airport Elementary	0	0	0
50/68593-00-005	East Union High	0	0	210
50/68593-00-006	McParland (George) Elementary	400	0	0
50/68593-00-007	Widmer	600	400	0
50/68593-00-008 [1]	Rustic Elementary	0	0	0
50/68593-00-009	Weston Ranch High	0	0	783
50/68593-00-010	3rd Elementary School	600	441	0
50/68593-00-011	Veritas Elementary	95	804	0
50/68593-00-012	Weston Ranch High	0	0	567
50/68593-00-013	Manteca High Field High	0	0	0
50/68593-00-014	Great Valley Elementary Annex	525	0	0
50/68593-00-015	Weston Ranch High	0	0	458
50/68593-00-017	Mossdale Elementary	525	459	0
50/68593-00-018	Brockman (Stella) Elementary	450	0	0
50/68593-00-019	Weston Ranch High	0	0	270
50/68593-00-020 [2]	Ethal Allen Elementary	0	0	0
50/68593-00-021	Lathrop High School	0	0	1,566
Total		**12,132**	**3,924**	**8,111**

[1] The School District has only received design funds for these projects. The facilities were never construction thus the capacity is not counted in this calculation. The School District is in the process of returning the funding and rescinding these projects and restoring the associated grants.

[2] The School District was apportioned funding for this project; however, never moved forward with the project and requested a fund release. The timeline for requesting the fund release for this apportionment has passed. The facilities were never construction thus the capacity is not counted in this calculation. The School District is the process of rescinding this project and restoring the associated grants.

APPENDIX B:

Proposed Residential Developments in the District

Table B-1 Proposed Residential Developments in the District

Table B-1
School Mitigation Fee Justification
Proposed Residential Developments in the District

Project	Status	Total Residential Units	Building Permits Issued	Undeveloped Residential Units
City of Manteca				
Alma Place Tract #3790	Tenative Map	184	0	184
Blossom Grove Tract #3436 (Part of Silva Estates)	Final Map	93	8	85
Cerri Subdivision	Tenative Map	643	0	643
Clearwater Creek Tract #3801	Final Map	35	35	0
Crivello Estates Tract #3487 Unit #1	Final Map	29	25	4
Denali Tract #3845	Tenative Map	315	0	315
Dolcinea	Tenative Map	40	0	40
Dutra Estates Unit #5 Tract 3686	Final Map	49	2	47
Evans Estates Unit #2 (Phase I)	Final Map	139	0	139
Griffin Park (Annexation)	Annexation phase	1,571	0	1,571
Milner Terrace (Tract #3797)	Annexation phase	76	0	76
Monte Bello Estates Tract #3867	Tenative Map	117	0	117
Oleander Estates Tract#3522 (phase 1)	Final Map	195	6	189
Oleander Estates Tract#3522 (phase 2)	Tenative Map	349	0	349
Oleander Estates Tract#3774	Final Map	113	31	82
Oleander Estates Unit #3 Tract #3842 (Phase 3)	Final Map	121	0	121
Terra Bella Tract #3323	Final Map	158	150	8
Silva Estates	Tenative Map	121	0	121
Terra Ranch Apartment	Tenative Map	200	150	50
Tesoro Park Tract #3802	Recorded Map	25	22	3
The Trails	Tenative Map	1,370	0	1,370
Woodbridge Apartments	Tenative Map	128	0	128
Woodward Park I Tract #3777	Tenative Map	171	0	171
Villa Ticino West	Tenative Map	708	0	708
Subtotal, City of Manteca		**6,950**	**429**	**6,521**
City of Lathrop				
RIVERPARK #7 TRACT #3410	Final Map	132	132	0
Mossdale Landing Tract #3338	Final Map	66	66	0
Mossdale Landing Tract #3490	Final Map	52	52	0
Lathrop Station	ON HOLD	440	0	440
Central Lathrop Specific Plan	Master Plan	6,790	0	6,790
Subtotal, City of Lathrop		**7,480**	**250**	**7,230**
San Joaquin County				
Oakwood Lake Tract #3475	Final Map	140	79	61
Oakwood Lake Tract #3476	Final Map	95	68	27
Oakwood Lake Tract #3477	Final Map	93	57	36
Oakwood Lake Tract #3478	Final Map	134	74	60
Subtotal, San Joaquin County		**462**	**278**	**184**
City of Stockton				
CORNERSTONE II UNIT #1 UNIT #1	ON HOLD	66	0	66
CORNERSTONE II UNIT #2 Tract 3406	ON HOLD	186	0	186
Subtotal, City of Stockton		**252**	**0**	**252**
Totals		**15,144**	**957**	**14,187**

"new_dev"

Source: Manteca Unified School District

APPENDIX C:

Fund 25 Funding Capacity

Appendix C

Table 1: Weighted Average Student Housing Cost

School Level	Construction Cost Per Student	Weighted Student Generation Rate
Elementary School (K-8)	$41,545.25	0.4183
High School (9-12)	$66,301.57	0.1920

Table 2: Allocation of Fund Balance

School Level	Allocation of Fund Balances	Funded Capacity
Elementary School (K-8)	$14,095,454.52	339
High School (9-12)	$6,469,997.27	98
Total	**$20,565,451.79**	**437**

Source: California Financial Services

APPENDIX D:

State Grant Calculation Worksheets

Table D-1
School Mitigation Fee Justification
Per Student Grant Calculation

State Grants (all categories) [1]	K-6	7-8	9-12	Severe	Non-Severe
Base Grant	$10,634	$11,247	$14,311	$29,881	$19,984
Grant for Fire Alarms	$12	$17	$29	$54	$37
Grant for Fire Sprinklers	$178	$212	$220	$563	$378
Total Student Grants	**$10,824**	**$11,476**	**$14,560**	**$30,498**	**$20,399**

Conversion to K-12 Grant Categories [2]		K-6	7-8	9-12	
K-12 Students [3]	97.2%	$10,520	$11,154	$14,151	
Severe Special Ed Students [3]	2.3%	$716	$716	$716	
Non-Severe Special Ed Students [3]	0.5%	$94	$94	$94	
Totals		**$11,330**	**$11,964**	**$14,961**	
Grant for Labor Compliance [4]	0.5%	$57	$60	$75	
Total per Student Grant		**$11,387**	**$12,024**	**$15,036**	
Assumed School Facility Capacity [5]		**1,000**	**1,500**	**1,500**	**4,000**
Weighted Average Total State Grant		**$2,869**	**$5,460**	**$5,460**	**$13,789**

"grants"

[1] Grant amounts effective February 2016.
[2] To estimate total state funding, special education grants need to be factored into the K-12 grade level categories
[3] Percentages based on data for District (January 2008 SAB 50-01).
[4] The Labor Compliance Grant is a sliding scale and the amount shown is a conservative estimate.

Source: Office of Public School Construction - February 2016.

Table D-2
School Mitigation Fee Justification
Calculation of Cost per Student for School Facilities

Description	School Facility K-8	School Facility 9-12
Students per Site [1]	1,000	1,500
Construction Cost per Student [2]	$47,725	$73,306
Construction Cost per New School	$47,725,254	$109,959,361
Student Generation Rate	0.418	0.192
Cost per Dwelling Unit	$19,956	$14,085
Total Cost per Dwelling Unit		**$34,041**

"cost"

[1] Typical school site sizes used to determine Cost per Student.

[2] Provided by California Financial Services.

Table D-3
School Mitigation Fee Justification
Calculation of Students by Special Education and Non-Special Education

Grade Level	Total Students [1]	% of Total	Special Education		Non Special Education
			Severe Disability [1]	Non-Severe Disability [1]	
K-6	12,218	78%	308	47	**11,863**
7-8	3,521	22%	89	13	**3,419**
Total K-8	15,739	100%	397	60	**15,282**
9-12	7,465		148	47	**7,270**
Totals	23,204		545	107	**22,552**
	Percentage of Total		**2.3%**	**0.5%**	**97.2%**

"student_cat"

[1] From Manteca USD SAB 50-01 dated January 14, 2008.

APPENDIX E:

Census and Household Data

Table E-1
School Mitigation Fee Justification
2010 Census Data

Description		Amount
Total Occupied Households	*a*	26,909
Total Households with Children	*b*	10,965
Percentage of Homes with Children	*c = b / a*	41%
Percentage of Households without Children	*d = 1 - c*	59%
Probability of Household with Children Moving into Housing where Residents Had No Children	*e = c * d*	24%
Employed Residents per Household	*f*	1.62
Percentage of Employees Forming Households	*g = 1 / f*	62%
Total Employees [1]	*i*	29,265
Employees Working in County of Residence [1]	*j*	7,304
Percentage of Employees Who Work in County of Residence	*k = j / i*	25%

"census"

[1] From U.S. Census Inflow/Outflow Report for Manteca Unified School District.

Table E-2
School Mitigation Fee Justification
Households Moving into Existing and New Homes

Description	2010	2011	2012	2013	2014
Existing Homes [1]	28,393	28,858	29,260	29,777	30,203
New Homes [1]	558	481	446	428	370
Existing Turnover (5%) [2]	1,420	1,443	1,463	1,489	1,510
Total Household Moves	1,978	1,924	1,909	1,917	1,880
Percentage of Household Moves Into Existing and New Homes					
% Existing	72%	75%	77%	78%	80%
% New	28%	25%	23%	22%	20%
Two Year Average					
Existing					**79%**
New					**21%**

"homes"

[1] From Department of Finance demographic data for Manteca and Lathrop.

[2] Conservative estimate of annual existing home turnover rates, based on San Joaquin County census data from 2005-2010.

Table E-3
School Mitigation Fee Justification
Household Expenditures and Employment Generation

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2015 Expenditures [3]	2015 Expenditures per 1,000 Households	Gross Receipts to Wages (1,000)	2015 Total Wages	2015 Avg. Wage per Worker [4]	# of Workers	Workers/ HH [5]	Total Worker HH	2015 Avg. Worker HH Income
Calculation	*a*	*b*	*c*	*d = c * 1000*	*e*	*f = d /e*	*g*	*h = f / g*	*i*	*j = h / i*	*k = i * g*
Food at Home [6]	7.1%	100%	$3,255								
Food & Beverage Stores		100%	$3,255	$3,254,675	10.63	$306,214	$27,601	11	1.62	7	$44,666
Food Away From Home	4.6%	100%	$2,196								
Food Services and Drinking Places		100%	$2,196	$2,196,283	3.79	$579,471	$14,527	40	1.62	25	$23,509
Alcoholic Beverages	0.8%	100%	$0								
Food & Beverage Stores		50%	$0	$0	10.63	$0	$27,601	0	1.62	0	$44,666
Food Services and Drinking Places		50%	$0	$0	3.79	$0	$14,527	0	1.62	0	$23,509
Housing Maintenance, Repairs, Insurance, Other expenses	2.3%	100%	$1,013								
Personal and Household Goods Repair and Maintenance		45%	$456	$455,645	4.06	$112,299	$26,090	4	1.62	3	$42,221
Building Material and Garden Equipment and Supplies Dealer		45%	$456	$455,645	7.71	$59,109	$29,105	2	1.62	1	$47,101
Real Estate and Rental and Leasing		10%	$101	$101,254	4.78	$21,169	$39,483	1	1.62	0	$63,895
Fuel Oil and Other Fuels [8]	0.2%		$95								
Nonstore Retailers		100%	$95	$94,621	18.93	$4,998	$41,966	0	1.62	0	$67,914
Water and Other Public Services [8]	1.1%	100%	$478								
Waste Management and Remediation Services		100%	$478	$477,983	5.22	$91,599	$51,150	2	1.62	1	$82,777
Household Operations Personal Services	0.5%	100%	$206								
Nursing and Residential Care Facilities		40%	$82	$82,330	2.53	$32,543	$27,642	1	1.62	1	$44,733
Social Assistance [7]		60%	$123	$123,495	2.84	$43,555	$26,196	2	1.62	1	$42,393
Household Operations Other Household Expenses	1.6%	100%	$687								
Services to Buildings and Dwellings		100%	$687	$686,735	2.63	$261,518	$29,915	9	1.62	5	$48,412
Housekeeping Supplies	1.2%	100%	$502								
Building Materials and Garden Equipment and Supplies Dealers		10%	$50	$50,237	7.71	$6,517	$29,105	0	1.62	0	$47,101
Food & Beverage Stores		35%	$176	$175,829	10.63	$16,543	$27,601	1	1.62	0	$44,666
General Merchandise		35%	$176	$175,829	10.78	$16,308	$25,732	1	1.62	0	$41,642
Miscellaneous Store Retailers [7]		20%	$100	$100,474	7.22	$13,910	$23,759	1	1.62	0	$38,450

[1] Percentage of income spent per category is based on the 2015 Consumer Expenditure Survey data for households at the median income level for seniors. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] 2015 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2015 U.S. Consumer Expenditure Survey.

[4] 2012 average wage per worker converted to 2015 dollars using the CPI for the San Francisco MSA from the BLS.

[5] Based on ACS data current as of 02/02/2017.

[6] Half of the expenditures in the "Alcoholic Beverages" category of the Consumer Expenditure Survey is included in "Food At Home" and the remaining half is included in "Food Away From Home".

[7] Manteca data not available from 2012 Economic Census. Gross receipts to wages and average wage are thus based on statewide data.

[8] Part of the Utilities, Fuels, and Public Services category, which also includes natural gas, electricity, and telephone services. Natural gas, electricity, and telephone services not estimated because data was not available in the 2012 Economic Census.

Table E-3
School Mitigation Fee Justification
Household Expenditures and Employment Generation

Item	% of Household Income Spent per Category [1]	% of Category Expenditure per Type of Business [2]	2015 Expenditures [3]	2015 Expenditures per 1,000 Households	Gross Receipts to Wages (1,000)	2015 Total Wages	2015 Avg. Wage per Worker [4]	# of Workers	Workers/ HH [5]	Total Worker HH	2015 Avg. Worker HH Income
Calculation	*a*	*b*	*c*	*d = c * 1000*	*e*	*f = d /e*	*g*	*h = f / g*	*i*	*j = h / i*	*k = i * g*
Household Furnishings and Equipment	3.2%	100%	$1,397								
Furniture and Home Furnishings Stores [7]		40%	$559	$558,752	7.91	$70,606	$30,379	2	1.62	1	$49,162
Electronics and Appliance Stores		40%	$559	$558,752	9.31	$59,993	$20,167	3	1.62	2	$32,636
General Merchandise Stores		10%	$140	$139,688	10.78	$12,956	$25,732	1	1.62	0	$41,642
Miscellaneous Store Retailers		10%	$140	$139,688	7.22	$19,338	$23,759	1	1.62	1	$38,450
Apparel and Services	2.6%	100%	$1,129								
Clothing and Clothing Accessories Stores		40%	$451	$451,450	9.04	$49,955	$16,025	3	1.62	2	$25,933
General Merchandise		40%	$451	$451,450	10.78	$41,872	$25,732	2	1.62	1	$41,642
Miscellaneous Store Retailers		10%	$113	$112,863	7.22	$15,625	$23,759	1	1.62	0	$38,450
Personal and Household Goods Repair and Maintenance		5%	$56	$56,431	4.06	$13,908	$26,090	1	1.62	0	$42,221
Dry Cleaning and Laundry Services		5%	$56	$56,431	2.29	$24,598	$26,073	1	1.62	1	$42,194
Vehicle Purchases (net outlay)	8.2%	100%	$3,562								
Motor Vehicle and Parts Dealers		100%	$3,562	$3,562,437	44.32	$80,387	$9,765	8	1.62	5	$15,803
Gasoline and Motor Oil	4.5%	100%	$1,954								
Gasoline Stations		100%	$1,954	$1,953,878	44.80	$43,615	$21,318	2	1.62	1	$34,500
Vehicle Maintenance and Repairs	1.7%	100%	$732								
Repair and Maintenance		100%	$732	$731,607	3.53	$207,484	$36,110	6	1.62	4	$58,437
Medical Services	1.3%	100%	$569								
Ambulatory Health Care Services		40%	$227	$227,481	2.67	$85,200	$58,115	1	1.62	1	$94,048
General Medical and Surgical Hospitals		30%	$171	$170,611	2.91	$58,652	$74,281	1	1.62	0	$120,209
Nursing and Residential Care Facilities		30%	$171	$170,611	2.53	$67,439	$27,642	2	1.62	2	$44,733
Drugs	0.9%	100%	$383								
Health and Personal Care Stores		100%	$383	$383,362	7.30	$52,550	$35,240	1	1.62	1	$57,030
Medical Supplies	0.3%	100%	$117								
Health and Personal Care Stores		100%	$117	$117,057	7.30	$16,046	$35,240	0	1.62	0	$57,030
Entertainment Fees and Admissions	0.8%	100%	$335								
Arts, Entertainment, & Recreation		100%	$335	$334,588	3.04	$110,189	$21,524	5	1.62	3	$34,832

[1] Percentage of income spent per category is based on the 2015 Consumer Expenditure Survey data for households at the median income level for seniors. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

[2] Where multiple business types are likely to provide goods and services in the expenditure category, EPS has estimated the proportion accruing to each business type.

[3] 2015 expenditures are based on the estimated household income distributed based on the percent of income spent per the 2015 U.S. Consumer Expenditure Survey.

[4] 2012 average wage per worker converted to 2015 dollars using the CPI for the San Francisco MSA from the BLS.

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Calculation	*a*	*b*	*c*	*d = c * 1000*	*e*	*f = d /e*	*g*	*h = f / g*	*i*	*j = h / i*	*k = i * g*
Entertainment Audio and Visual Equipment and Services	2.3%	100%	$995								
Electronics and Appliance Stores		100%	$995	$994,985	9.31	$106,831	$20,167	5	1.62	3	$32,636
Entertainment Pets, Toys, Hobbies, and Playground Equip.	1.4%	100%	$618								
Sporting Goods, Hobby, and Musical Instrument Stores		40%	$247	$247,381	9.32	$26,548	$17,762	1	1.62	1	$28,744
Miscellaneous Store Retailers [7]		40%	$247	$247,381	7.22	$34,247	$23,759	1	1.62	1	$38,450
Veterinary Services		20%	$124	$123,690	2.99	$41,319	$33,416	1	1.62	1	$54,078
Other Entertainment Supplies, Equipment, and Services	0.7%	100%	$295								
Sporting Goods, Hobby, and Musical Instrument Stores		85%	$250	$250,405	9.32	$26,873	$17,762	2	1.62	1	$28,744
Photographic Services		15%	$44	$44,189	4.40	$10,042	$26,658	0	1.62	0	$43,141
Personal Care Products and Services	1.4%	100%	$589								
Unspecified Retail		50%	$295	$294,594	11.45	$25,724	$27,601	1	1.62	1	$44,667
Personal Care Services		50%	$295	$294,594	3.01	$97,923	$15,003	7	1.62	4	$24,280
Reading	0.2%	100%	$99								
Sporting Goods, Hobby, and Musical Instrument Stores		100%	$99	$98,523	9.32	$10,573	$17,762	1	1.62	0	$28,744
Education	1.3%	100%	$572								
Educational Services		100%	$572	$571,629	3.15	$181,633	$10,433	17	1.62	11	$16,884
Tobacco Products and Smoking Supplies	0.9%	100%	$375								
Unspecified Retail		100%	$375	$374,583	11.45	$32,709	$27,601	1	1.62	1	$44,667
Miscellaneous [9]	1.5%	100%	$632								
Accounting		25%	$158	$158,027	1.78	$88,906	$35,857	2	1.62	2	$58,028
Architectural, Engineering, and Related [1]		25%	$158	$158,027	2.62	$60,229	$65,645	1	1.62	1	$106,234
Specialized Design Services [7]		25%	$158	$158,027	3.29	$48,105	$65,264	1	1.62	0	$105,617
Death Care Services		25%	$158	$158,027	3.52	$44,869	$34,481	1	1.62	1	$55,801
Total per 1,000 Households								**158**		**98**	
Total per Household								**0.16**		**0.10**	

Source: 2015 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics; 2012 Economic Census, U.S. Census Bureau; Census 2015; Economic & Planning Systems, Inc.

[1] Percentage of income spent per category is based on the 2015 Consumer Expenditure Survey data for households at the median income level for seniors. Note that the sum of the categories included in this analysis is well below the total expenditures of households at this income level, and thus represent a conservative estimate of job creation and housing impacts. Expenditure categories not incorporated due to data constraints include taxes, housing and lodging, most utilities, tobacco, health insurance, personal/ life insurance, cash contributions, and financing charges.

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[9] Miscellaneous also includes legal services. However, legal services are not estimated because data was not available in the 2010 Economic Census.

[10] Note that average salary reported for architecture, engineering and related industries reflects the full range of employees within the industry, not solely professional and technical staff.