

Lompoc Unified School District

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2012 Developer Fee Justification Study *for* Lompoc Unified School District

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EXECUTIVE SUMMARY

- Education Code Section 17620 provides for the collection and expenditure of fees based upon new residential and commercial/industrial construction using criteria that establish a district's justification for a need of such fees. In January 2012, the State Allocation Board established the current fees at \$3.20 per square foot of residential construction and \$0.51 per square foot of commercial/industrial construction.
- The district's justification lies in its need for extensive modernization.
- Approximately 293 students from new residential construction are projected. The developer fee collections from the units generating those students are projected at approximately \$7,250 per student. The projected per student cost for the estimated modernization projects is \$9,600, leaving a deficit of about \$2,350 per student.
- The District estimates the costs of needed modernization projects at about \$90,000,000. Based on the past five years of Developer Fee Collections, the District estimates that about \$2,100,000 may be collected over the next five years, leaving approximately \$87,900,000 in estimated modernization projects to be funded from other local sources.
- Level 1 Developer Fees are capped at a maximum of \$3.20 per square foot of new residential construction, and the District's needs justify the collection of that amount.
- Each square foot of commercial/industrial construction will create a school facilities cost of between \$0.57 and \$1.48. Level 1 Developer Fees are capped at a maximum of \$0.51 per square foot of new commercial/industrial construction, and the District's needs justify the collection of that amount.

PART I

INTRODUCTION

SCOPE OF THE STUDY

Presented in this report are the findings of a Developer Fee Justification Study conducted for the Lompoc Unified School District (the District) that demonstrate the continuing need for school facilities modernization. Over the course of the past several years, a number of modernization projects were done in the District. Those projects were funded in part by the State School Facilities Program (SSFP). Projects performed using SSFP funds must ensure that all buildings being modernized are brought into compliance with the requirements of the Americans with Disabilities Act (ADA), and that all areas undergoing physical changes must comply with the most recent mandates of the Division of the State Architect (DSA). These requirements are very expensive, particularly for the many buildings in the District that were originally constructed many years ago. Compliance with these regulations of the ADA and DSA necessitated the use of a significant portion of those funds, leaving much other needed work unfunded. This study will address the work remaining to be done.

PURPOSE OF THE STUDY

This study demonstrates the relationship between new residential and commercial/industrial construction and the District's continuing need for the modernization of school facilities and some new construction. This relationship is shown in compliance with the requirements for the collection of Level 1 (statutory) Fees.

The bulk of new residential projects in the District are new homes, including those built in tracts and those built by or for individuals. The nexus between new residential construction and student generation is well established. There also have been additions to existing homes. Only substantial additions are affected by developer fees, since any addition of less than five hundred square feet is exempt from fees. It is important to remember that developer fees are a one-time collection that can be made only at the time the new residential square footage is constructed. Those additions make it possible for those homes to support larger families, which, over time, may include additional students.

This is particularly significant in a time when enrollment in many California school districts, including Lompoc, is stable or declining. Without the additional enrollment from increased housing, the District might simply eliminate relocatable buildings, close classroom wings, and in some cases, close entire schools. Developer fees help make available appropriate classroom space for the students generated by the new housing, since without additional work, many of those older buildings will be unable to support the needs of a contemporary educational program and would eventually need to be abandoned. Developer fees will help meet those needs.

LEGAL REFERENCES

Throughout this study, references are made to various sections of California Law. All California Codes are available at www.leginfo.ca.gov/calaw.html.

ACKNOWLEDGEMENT

SchoolWorks, Inc. extends its sincere appreciation to Mr. Greg Kampf, District Superintendent, Dr. Sheldon Smith, Assistant Superintendent, Business Services, Mr. Tuan Nguyen, Manager of Maintenance and Operations, Katherine Downey, Executive Assistant – Business Services, and members of district staff for their work in providing the information necessary to complete this Developer Fee Justification Study.

DESCRIPTION OF THE COMMUNITY

The Lompoc Unified School District serves the City of Lompoc, as well as adjacent portions of unincorporated area in Santa Barbara County. The largest community in the unincorporated area is Vandenberg Village, near the Vandenberg Air Force Base. The local population, including the City and the adjacent areas is over 67,000. The geography of the entire area is dominated by its proximity to the Pacific Ocean, which makes it home to both permanent residents and tourists attracted to the moderate climate and golfing opportunities.

Many fine homes are found in the area. Some residential building has taken place over the past five years and new homes continue to be built and additions continue to be made to existing units. The City is home to some of the most reasonable housing costs in Santa Barbara County, and is an attractive area for both seniors and young families.

Lompoc is proud of its title of “The Valley of the Flowers” and many commercial growers maintain fields in the area. Each June, the City celebrates its Flower Festival. Ocean Park, about fifteen minutes from downtown, is an aquatic sanctuary, and is a fine place for viewing the aquatic wildlife, as well as for surf fishing and beach walking. La Purisima Mission, the State’s most fully restored mission, is also close to downtown, as is the La Purisima par 72 championship golf course, which is open to the public.

Advanced education is also available nearby. A satellite campus of Allan Hancock Community College is available at the north end of town, and the main campus is about 25 miles away in Santa Maria. In addition to the associate degrees offered by Allan Hancock, the University of La Verne and Antioch University, among other institutions of higher learning, have satellites on the campus where one can earn a bachelors degree. Also, Brandman University, University of California at Santa Barbara and California Polytechnic State University San Luis Obispo are within an hour’s drive.

DESCRIPTION OF THE DISTRICT

The Lompoc Unified School District currently serves about 9,800 students, grades K-12, in a 300 square mile area that includes, Vandenberg Village, Vandenberg Air Force Base, Mesa Oaks, Mission Hills, and surrounding rural areas, as well as the City of Lompoc. The District operates 14 schools – nine elementary, two middle schools, two comprehensive high schools, and a continuation high school. There is also a large adult education program. The District employs about 550 certificated employees, including a total of approximately 490 teachers and 30 pupil support personnel. Most of the District's schools are on a traditional calendar, but La Honda and Miguelito Elementary Schools are on a year-round calendar.

The District is particularly proud of its *Lompoc Apprentice Teacher Support System*, which provides an experienced teaching partner for each new teacher to offer support in both formal and informal ways. New teachers also receive support from the Santa Barbara County Office of Education's Beginning Teacher Support and Assessment Program.

The Lompoc Unified School District receives strong support from parents and community members who have high expectations for their schools. Community participation is offered through the District's English Learners Advisory Committee and Community Advisory Council, as well as the School Site Councils at the individual schools.

Lompoc is somewhat isolated from other population centers. Santa Maria, the largest city in Santa Barbara County, with a population of about 92,000, is about 25 miles away, and the second largest, the City of Santa Barbara, is more than 50 miles away. Because of this, a higher percentage of District employees live in Lompoc and its immediately adjoining areas than is typical of most school districts.

The Lompoc Unified School District's *Guide* states, "LUSD takes pride in its commitment to providing high quality educational programs for all students. District wide, Lompoc schools reflect the rich ethnic and cultural diversity of the city itself, including Hispanic/Latino, Native American, Asian-American, African-American, Filipino and Hmong populations."

PART II

EXPLANATIONS AND LEGAL REQUIREMENTS

The requirements for Developer Fee Justification Documents were significantly changed with the passage of new legislation in 1998. On August 28, 1998 the Governor signed into law Senate Bill 50 (SB 50), the Leroy F. Greene School Facilities Act of 1998 which is now Chapter 407, Statutes of 1998 of the California Education Code. SB 50 also placed a \$9,200,000,000 State Bond measure on the November 3, 1998 ballot (Proposition 1A). With the successful passage of Proposition 1A on November 3, 1998, SB 50 became operative.

The intent of the law is stated clearly in Government Code Section 65995(e), quoted below:

The Legislature finds and declares that the financing of school facilities and the mitigation of the impacts of land use approvals, whether legislative or adjudicative, or both, on the need for school facilities are matters of statewide concern. For this reason, the Legislature hereby occupies the subject matter of requirements related to school facilities levied or imposed in connection with, or made a condition of, any land use approval, whether legislative or adjudicative act, or both, and the mitigation of the impacts of land use approvals, whether legislative or adjudicative, or both, on the need for school facilities, to the exclusion of all other measures, financial or nonfinancial, on the subjects. For purposes of this subdivision, "school facilities" means any school-related consideration relating to a school district's ability to accommodate enrollment.

LIMITATIONS IMPOSED BY SENATE BILL 50

The power of cities and counties to require mitigation of school facilities impacts as a condition of approving new development and the court cases known as "Mira/Hart/Murrieta" have been suspended and, at least for the time being, have been replaced by the three levels of developer fees explained below.

Government Code Sections 65995(a)(3)(A), et seq. preclude the use of developer fees for the following:

- The regular maintenance or routine repair of school buildings and facilities.
- The inspection, sampling, analysis, encapsulation, or removal of asbestos-containing materials, except where incidental to school facilities construction or reconstruction for which the expenditure of fees or other consideration collected pursuant to this section is not prohibited.
- The purposes of deferred maintenance described in Section 17582.

THREE LEVELS OF DEVELOPER FEES

Under certain conditions, three levels (or types) of statutory fees may now be levied by the Governing Board of a school district.

- Level 1: General School Facilities Fees: authorized by Government Code Section 65995 as amended.
- Level 2: Alternate Fees: authorized by Government Code Section 65995.5 (nominally 50% of construction costs)
- Level 3: Alternate Fees: authorized by Government Code Section 65995.7 (nominally 100% of construction costs; these fees are authorized only when the State does not have available funds)

The District qualifies for Level 1 Fees.

AUTHORITY, REQUIREMENTS AND PROCEDURES FOR LEVYING DEVELOPER FEES

The authority for the governing board of a school district to levy developer fees is Education Code Section 17620. Prior to passage of SB 50 those fees were limited to an inflation-adjusted \$1.93 for residential construction and an inflation-adjusted \$0.31 for commercial or industrial construction. With passage of SB 50, Level 1 (Basic Fee) was continued as an inflation-adjusted \$1.93 for residential and \$0.31 for commercial or industrial. A new adjustment takes place in January of each even-numbered year. Effective January 2012, the new inflation-adjusted rates became \$3.20 per square foot for residential construction and \$0.51 per square foot for commercial/industrial construction.

Government Code 66016 requires that districts hold a public hearing regarding the imposition of developer fees as part of a regularly scheduled governing board meeting prior to adopting or increasing such fees. A notice of the meeting must be published twice prior to the meeting, with the first publication at least ten days before the meeting.

Government Code 66006 specifies the requirements for depositing and managing any fees that are collected and the restrictions for their use, including, but not limited to:

- The establishment of a separate fund for the deposit of developer fees and any interest generated by them.
- The use of such funds only for the purpose for which they were collected.
- Reporting the use of such funds on an annual basis within 180 days of the end of each fiscal year.

Education Code 17620 explains several facets of developer fee laws, including, but not limited to the following:

- Exempts from fees residential additions of less than 500 square feet.
- Allows a portion of the fees to be used to pay for the completion of developer fee justification studies.
- Exempts from fees projects that are used exclusively for government-owned facilities, private schools, and buildings that are tax-free based upon their use for religious purposes.
- Limits the collection of fees for senior housing to the amount of commercial/industrial fees and requires any conversion from that use to be approved by the applicable local governmental agency after the school district has been notified.

Education Code 17625 authorizes the collection of fees on manufactured or mobile homes, but limits the imposition of the fees to the initial installation of the unit in the school district.

Government Code Sections 66000 through 66003 specify a variety of requirements regarding the collection and use of developer fees, including, but not limited to the following:

- The identification of the purpose of the fee.
- The identification of the use to which the fee is to be put.
- The determination of a reasonable relationship between the fee's use and the type of the development project being assessed.
- The determination of a reasonable relationship between the need for the public facility and the type of development project being assessed.
- The accounting for any funds remaining unexpended in the fifth year after the first deposit into the fund, and every five years thereafter.
- The identification of funds anticipated to be collected to finish any identified, but incomplete, projects, and the establishment of an approximate date for the anticipated completion of such projects.
- The refunding, at specific times, of funds available that are not committed to specific projects.

PART III

FEE JUSTIFICATIONS AND USES OF STATE SCHOOL FACILITIES PROGRAM FUNDING AND FUNDS PROVIDED BY LOCAL SOURCES

DEVELOPER FEE ELIGIBILITY

As authorized by Education Code Section 17620 and Government Code Section 65995, school districts are eligible to levy fees on new residential and commercial construction when such construction impacts the district's need for educational facilities.

STATE SCHOOL FACILITIES PROGRAM ELIGIBILITY

The State School Facilities Program (SSFP) provides some modernization funding to school districts with permanent buildings that have not been built or modernized in the past twenty-five years and relocatable buildings not acquired or modernized in the past twenty years. The SSFP also provides funding for new construction projects based on enrollment projections and the district's existing building inventory. The District qualified for several projects beginning in 2000. The Program requires districts to have their financing in place before the OPSC will authorize the release of any State funding. The District passed a General Obligation bond in 2002. Those funds were a major source of the match needed to participate in the SSFP. Following the passage of the bonds, the District began submitting its projects to the State for funding, the projects were approved, and the District commenced work on those projects. Those projects are now complete

Unified school districts may collect up to the maximum developer fee amount allowed by statute if they so qualify. As shown below, the District qualifies for the maximum statutory Level 1 developer fees.

FEE HISTORY, JUSTIFICATION AND USE

Education Code Section 17620 provides for the collection of fees generated by new residential and commercial/industrial construction. The authority for the collection of those fees is based upon criteria that establish a district's justification of its need. Those needs must be validated and approved by the State. District personnel report that the District applied for, received, and has used all of the funds provided by the State. The District provided the required match for those funds through a variety of sources, including developer fees and the funds provided by the local General Obligation Bond described above. Further explanation of the history of developer fee collections, of the use of local funding for modernization to date, and the remaining needs are given below.

HISTORY OF LOMPOC UNIFIED SCHOOL DISTRICT'S DEVELOPER FEE COLLECTIONS

Residential Fees

Over the past five years, developer fees have been paid on approximately 625,000 square feet of residential development. Exact numbers of units were not available from District records, but developer fees were paid on 154 projects, with approximately 419 dwelling unit equivalents. About three-fourths of the units were apartments, with the remaining fourth comprised of single family dwellings and additions. Over all, dwelling units averaged about 1,500 square feet per unit. Using the State's standard student generation rate of 0.7 per household, about 293 students might be expected to have been generated from that new residential construction.

Commercial/Industrial Fees

The State of California authorizes the collection of Developer Fees on commercial and industrial property based upon the following rationale:

As commercial and industrial properties develop, new jobs are created. Many of the people hired into these jobs move into the community, thereby increasing the need for residential development and adding to the impacts on the local schools, particularly as it relates to those people moving into older established residences that do not generate residential developer fees. Because the maximum fee that can be levied against residential development is insufficient to meet the identified needs, a separate fee may be levied against commercial/industrial developments if supported by the evidence.

Education Code Section 17621(e)(1)(B) authorizes school districts to establish commercial/industrial fees based upon the January 1990 edition of the "San Diego Traffic Generators," a report of the San Diego Association of Governments.

Table III-1 (following) shows the approximate cost of modernization and new construction per student per square foot of commercial/industrial development. The calculations are shown in Appendix D, and have been modified to assume that 80 percent of the employees generated will move into new housing, thus reducing the impact, since the fees on new housing are designed to mitigate the impact of students generated by them. Even so, the District qualifies for the maximum commercial/industrial fee permitted by law. As is the case with residential fees, the statutory commercial/industrial fee is significantly less than the calculated fee. The maximum statutory commercial/industrial developer fee is \$0.51 per square foot.

Table III-1	
Commercial/Industrial Development Cost	
Type of Development	Cost Impact per Square Foot
Office	\$1.48
Research and Development	\$0.75
Retail	\$0.95
Communications and Utilities	\$1.23
Light Industry	\$1.23
Warehouse	\$0.57
Transportation	\$0.86
Heavy Industry	\$0.86

JUSTIFICATION OF NEED

The justification for participation in the State School Facilities Program for new school construction is based upon a district's projected enrollment made pursuant to a State formula and that district's available classroom space. A certain dollar amount that varies according to the qualifying grade levels is granted for each eligible student. The formula for funding is based upon the size of the district's eligible projected enrollment minus certain available space, and calls for the district to match the State's funding on a dollar for dollar basis. The formula providing new construction funding does not take into account district needs for permanent structure space to accommodate the needs of the Class Size Reduction Program or any district needs based upon differences in school programs designed forty to sixty years ago and those needed today.

The justification for participation in the State School Facilities Program for school modernization is based upon the number of students utilizing facilities constructed or acquired more than twenty-five years ago for permanent structures or twenty years ago for relocatable structures. There is a slightly higher level of funding for structures more than fifty years old. The SSFP provides funds to assist districts in modernizing their facilities. The funds made available through that program are based upon a fixed dollar amount for each grant, with both the State and the District making defined contributions. The first SSFP Modernization Program provided 80 percent of the grant funding, with the District contributing the remainder. The second SSFP called for the State to provide 60 percent, with the District providing remaining 40 percent of the grant amount.

There is no relationship between the modernization grants and the actual amount of work needed to be done. In addition, the SSFP requires modernization projects to perform extensive renovation to comply with the requirements of the Americans with Disabilities Act and the most recent requirements of the Division of the State Architect for any work done that touches the actual structure of a building. That work demands the use of a significant portion of the funding provided by the SSFP. Thus, the grant amounts (including both the State and local funding) are generally insufficient to complete modernization projects as envisioned by districts utilizing the program.

Although the State sets standards for providing funding for both new construction and modernization projects, those standards are based upon formulas rather than the reality in individual districts. That methodology provides a basis for an equitable distribution of State funds, but does not address individual districts' needs to provide their vision of adequate facilities.

The District has needs that do not fall within the restrictive guidelines of the State School Facilities Program. Developer Fees will be one source of revenue the District may use to complete its needed projects. In any case, the District has exhausted its eligibility for State funds.

IMPACT OF NEW RESIDENTIAL CONSTRUCTION

Because of the slowdown in residential construction over the past few years, a listing of approved projects is not a reliable predictor of future development. At this time, SchoolWorks prefers to base its estimate of development on the level of residential construction over the past five years. It should be noted that this estimate will be revised at the next revision of the statutory developer fee amount in 2014.

Over the past five years, slightly more than 625,000 square feet of residential housing have been constructed. The District's records do not indicate the square footage of multiple-family units; to estimate the equivalent number of dwelling units for the combination of additions, single-family, and multiple-family units, SchoolWorks used an estimated 1,500 square feet per dwelling unit. That yields the equivalent of about 419 dwelling units. Using the State-approved student generation rate of 0.7, approximately 293 students from new residential construction might be added to the District's student population.

Enrollment in the District's schools has been steadily dropping over the past several years. The most recent estimate of enrollment for 2016-2017 is 9,400. That equates to about \$9,600 per student in estimated modernization costs (see the Part III Summary).

The District's traditional elementary schools range in size from 394 to 674 students, with an average size of just under 500 students. Without the students that are anticipated to be generated from new construction, the District might be able to close an entire elementary school and redistribute the remaining students to other schools. It might also be able to close classroom wings or dispose of relocatable buildings at other elementary schools, as well as at the middle, and high school levels. If the District could eliminate the use of some classrooms in those buildings and could sell some of its owned relocatable classrooms, that might obviate the need for several million dollars in currently needed modernization costs and additional millions in modernization costs that are needed on an ongoing basis, in addition to providing funds for the modernization of remaining facilities.

It is important to remember that developer fees are a one-time collection that can be made only at the time the new square footage is constructed. All residential construction presents the potential of supporting more or larger families, which, over time, may include additional students. This is particularly significant in a time when enrollment in many California school districts, including Lompoc, is declining. That decline would be significantly more dramatic without the additional students generated by new residential construction, thus significantly reducing its need for classroom and support program building space.

The Governing Board desires to house all of the District's students in permanent classrooms. Currently, the District uses more than one hundred twenty-five relocatable buildings with a capacity of about 3,750 students. Without the additional enrollment from increased housing that backfills spaces for students that would otherwise be lost in the general decline, the District might be able to sell a number of relocatable buildings.


Developer fees help make available appropriate classroom space for the students generated by the new residential units, since without additional work, many of the District's older buildings, both permanent and relocatable will be unable to support the needs of a contemporary educational program and would eventually need to be abandoned. Developer fees will help meet those needs.

The difference between the SSFP funding and the needs of a district can be seen dramatically in the case of the Lompoc Unified School District.

SSFP modernization funding was used for projects at all of the District's schools. The District qualified for, applied for, received and expended over \$40,000,000 in State funding. It matched that amount with more than \$27,000,000 from District resources, including funding from a general obligation bond passed by the voters in late 2002. Despite all of that work, which has exhausted State eligibility, about \$90,000,000 in needed projects remain to be done, as shown on the next Table.

CAPITAL FACILITY PLAN

A summary of the major modernization and new construction projects remaining is listed on the next Table. An itemized list is available in the District's Business Office.

 LOMPOC UNIFIED SCHOOL DISTRICT NEEDS ASSESSMENT							
<i>PERIOD ASSESSMENT JULY 2010 THRU JUNE 2015</i>							
BUENA VISTA ELEMENTARY SCHOOL							\$ 3,704,650.00
CABRILLO HIGH SCHOOL							\$ 12,295,850.00
CLARENCE RUTH ELEMENTARY SCHOOL							\$ 5,688,350.00
CRESTVIEW ELEMENTARY SCHOOL							\$ 5,813,700.00
EL CAMINO CAMPUS (ADULT ED)							\$ 2,495,350.00
FILLMORE ELEMENTARY SCHOOL							\$ 4,067,170.00
FLORADALE SCHOOL SITE							\$ 350,000.00
HAPGOOD ELEMENTARY SCHOOL							\$ 2,408,550.00
LA CANADA ELEMENTARY SCHOOL							\$ 4,017,010.00
LA HONDA ELEMENTARY SCHOOL							\$ 4,387,550.00
LOMPOC HIGH SCHOOL							\$ 9,820,350.00
LOMPOC UNIFIED SCHOOL DISTRICT GARAGE & BUS BARN							\$ 766,000.00
LOMPOC UNIFIED SCHOOL DISTRICT CENTRAL KITCHEN							\$ 213,000.00
LOMPOC UNIFIED SCHOOL DISTRICT CENTRAL WAREHOUSE							\$ 148,600.00
LOMPOC UNIFIED SCHOOL DISTRICT CENTRAL OFFICE							\$ 12,625,000.00
LOMPOC UNIFIED SCHOOL DISTRICT TEXTBOOK PROCESSING CENTER							\$ 203,000.00
LOMPOC VALLEY MIDDLE SCHOOL							\$ 3,186,350.00
LOS BERROS ELEMENTARY SCHOOL							\$ 1,914,300.00
MANZANITA / LOS PADRES CAMPUS							\$ 2,000,000.00
MAPLE CONTINUATION & SPECIAL NEEDS CAMPUS							\$ 3,279,850.00
MARTHA NEGAS SPECIAL NEEDS SCHOOL							\$ 1,950,000.00
MIGUELITO ELEMENTARY SCHOOL							\$ 3,218,600.00
MISSION VALLEY CHARTER SCHOOL							\$ 178,850.00
OLD MAPLE CAMPUS							\$ 2,000,000.00
VANDENBERG MIDDLE SCHOOL							\$ 3,482,350.00
						TOTAL ALL SITES	\$ 90,214,430.00

This list of needed new construction and modernization projects will continue to grow as the buildings continue to age, and the need for contemporary facilities continues to change, especially because of the age of the District's buildings.

As shown above, current estimates for those projects total about \$90,000,000. The prices of school construction and modernization projects rose at unprecedented rates between 2000 and 2007, and although those costs stopped rising dramatically (and, in some cases, actually abated), costs are still likely to continue to rise, although at a slower pace. Additional costs related to those projects are likely to be incurred as the buildings continue to age. Also, as stated above, without the students generated from new residential construction, the equivalent of several modernization projects might have been avoided.

As noted before, residential developer fee collections over the past five years have been collected on approximately 625,000 square feet. There has been a significant drop in developer fee collections due to the recent decline in residential construction, so SchoolWorks projects a similar amount in the coming five year period. With the imposition of the new maximum statutory residential fees of \$3.20 per square foot, collections might be expected to bring in just over two million dollars. It is expected that this Study will be revised in two years, and any changes in projections will be reflected at that time. Commercial/Industrial developer fee collections are erratic, but in the past five years fees on such projects were collected on slightly over 225,000 square feet. Projecting that forward, with the imposition of new maximum commercial/industrial fees, of \$0.51 per square foot, commercial/industrial fees might bring in another \$115,000, for total estimated collections of about \$2,100,000. With estimated modernization costs of over \$90,000,000, the shortfall between costs and developer fee collections may total about \$87,900,000.

In addition to these major projects, in this school district with facilities more than fifty years old, other modernization projects will occur. Developer fees will help to provide the local funds needed to meet those needs.

SUMMARY

The information above demonstrates the connection between new residential and commercial/industrial development in the District and the District's continuing needs for the modernization of its schools' facilities and some new construction. Projects totaling approximately \$90,000,000 remain to be done, and the District has used all of the available SSFP funds for which it qualifies.

The Level 1 maximum fees currently allowed by law are \$3.20 per square foot of residential construction and \$0.51 per square foot of commercial/industrial construction. The District projects five-year developer fee collections on approximately 419 units of residential construction totaling about 625,000 square feet. Using the standard student generation rate of 0.7 students per unit, about 293 students might be expected from those units. The estimated amount of developer fees from those units is approximately \$2,100,000, or about \$7,250 per new student.

With a projected enrollment of about 9,400 students, and projected modernization costs of about \$90,000,000, the estimated cost per student is just under \$9,600 per student. Since the amount per new student generated by developer fees is about \$2,350 per student less than the overall cost of modernization, the maximum statutory developer fee rate of \$3.20 per square foot is justified.

PART IV

OTHER REVENUE SOURCES FOR FUNDING FACILITIES

GENERAL OBLIGATION BONDS

The District has passed, issued, and used general obligation bonds for the modernization of its facilities.

STATE FACILITIES PROGRAM

The District has applied for, qualified for, and received SSFP funds. Those funds have either been spent or are encumbered for ongoing construction projects.

SCHOOL DISTRICT GENERAL FUNDS

All of the District's unrestricted general funds are needed for the District's operational instructional and support programs and no such funds are available for the construction of facilities. By their nature, restricted funds may not be used for capital construction purposes.

MELLO-ROOS COMMUNITY FACILITIES ACT

Although the Mello-Roos Community Facilities Act allows school districts to establish a community facility district, the district's recent passage of general obligation bonds strongly mitigates against any possibility of the District being able to establish such a district.

PART V

ESTABLISHING THE NEED, BENEFIT, AND NEXUS

There is a cost associated with the modernization of adequate school facilities and a benefit to the students who profit from attending school in adequate, appropriate, safe facilities. The District has current, continuing, and growing needs to modernize its older facilities. Insufficient resources are available from the District's operating budget to fund the needs of those facilities.

Burden Nexus: A district must identify the number of students anticipated to be generated by residential, commercial and industrial development. In addition, the district shall identify the school facility and cost impact of these students.

New residential development is anticipated to generate 293 students. Those students impact the District's need for modernization of its school facilities.

Cost Nexus: A district must demonstrate the fees to be collected from residential, commercial and industrial development will not exceed the cost of providing school facilities for the students to be generated from the development.

As shown in this Study, the Developer Fee funds supporting the new students from development is significantly lower than the costs associated with needed modernization.

Benefit Nexus: A district must show that the work to be funded by the collection of developer fees will benefit the students generated by residential, commercial and industrial development.

The Developer Fees to be collected by the Lompoc Unified School District will be used for the provision of modernized school facilities. This will benefit the students to be generated by new development by providing them with adequate educational facilities.

The pressing need to complete the projects listed in Section III demonstrates the District's need to provide those facilities for student classrooms and educational support facilities.

The reasonable relationship identified by these findings provides the required justification for the District to levy the maximum residential and commercial/industrial developer fees as provided by statute.

PART VI

PURPOSE OF THE FEE

The purpose of the developer fees to be collected is to fund modernization and, if needed, the construction of school facilities.

PART VII

DEPOSITING AND ACCOUNTING FOR DEVELOPER FEES

Developer Fee Collections shall be deposited and accounted for in accordance with Government Code Section 66006.

PART VIII

RECOMMENDATION

Based upon the information and justification provided in this report, it is recommended that the Governing Board of the Lompoc Unified School District adopt the enabling resolutions to allow the District to levy the maximum statutory residential and commercial/industrial developer fees.

PART IX

APPENDICES

APPENDIX A
CALIFORNIA BASIC EDUCATIONAL DATA SYSTEMS
REPORT – OCTOBER 2011

2011 CBEDS	
Kindergarten	814
Grade 1	827
Grade 2	765
Grade 3	743
Grade 4	715
Grade 5	742
Grade 6	711
Grade 7	715
Grade 8	775
Grade 9	854
Grade 10	779
Grade 11	678
Grade 12	684
Total	9802

APPENDIX B

COHORT SURVIVAL ENROLLMENT PROJECTION USING SAB 50-01 FORM

Lompoc Unified School District
2012 Developer Fee Justification Study
May 1, 2012



STATE OF CALIFORNIA

ENROLLMENT CERTIFICATION/PROJECTION

SAB 50-01 (REV 05/09)

STATE ALLOCATION BOARD

OFFICE OF PUBLIC SCHOOL CONSTRUCTION

Page 6 of 6

SCHOOL DISTRICT
 Lompoc Unified

FIVE DIGIT DISTRICT CODE NUMBER (see California Public School Directory)
 69229

COUNTY
 Santa Barbara

HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (if applicable)

Check one: ☒ Fifth-Year Enrollment Projection ☐ Tenth-Year Enrollment Projection

HSAA Districts Only - Check one: ☐ Attendance ☐ Residency

☐ Residency - COS Districts Only - (Fifth Year Projection Only)

☐ Modified Weighting (Fifth-Year Projection Only)

☐ Alternate Weighting - (Fill in boxes to the right):

3rd Prev. to 2nd Prev.	2nd Prev. to Prev.	Previous to Current

Part G. Number of New Dwelling Units

(Fifth-Year Projection Only)

Part H. District Student Yield Factor

(Fifth-Year Projection Only)

Part I. Projected Enrollment

1. Fifth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-6	7-8	9-12	TOTAL
5431	1316	2617	9364

Special Day Class pupils only - Enrollment/Residency

	Elementary	Secondary	TOTAL
Non-Severe	0	0	0
Severe	0	0	0
TOTAL	0	0	0

2. Tenth-Year Projection

Enrollment/Residency - (except Special Day Class pupils)

K-6	7-8	9-12	TOTAL

Special Day Class pupils only - Enrollment/Residency

	Elementary	Secondary	TOTAL
Non-Severe			
Severe			
TOTAL			

Part A. K-12 Pupil Data

Grade	7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev. 2008 / 2009	2nd Prev. 2009 / 2010	Previous 2010 / 2011	Current 2011 / 2012
K					792	789	836	814
1					767	791	777	827
2					806	744	759	765
3					774	794	712	743
4					771	746	770	715
5					834	768	710	742
6					785	812	720	711
7					820	748	782	715
8					778	784	720	775
9					911	852	877	854
10					835	820	760	779
11					808	779	749	678
12					646	698	706	684
TOTAL					10327	10125	9878	9802

Part B. Pupils Attending Schools Chartered By Another District

7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
				0	0	0	0

Part C. Continuation High School Pupils - (Districts Only)

Grade	7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current
9					0	0	0	0
10					0	0	0	0
11					0	0	0	0
12					0	0	0	0
TOTAL					0	0	0	0

Part D. Special Day Class Pupils - (Districts or County Superintendent of Schools)

	Elementary	Secondary	TOTAL
Non-Severe	0	0	0
Severe	0	0	0
TOTAL	0	0	0

Part E. Special Day Class Pupils - (County Superintendent of Schools Only)

7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev. 2008 / 2009	2nd Prev. 2009 / 2010	Previous 2010 / 2011	Current 2011 / 2012
/	/	/	/				

Part F. Birth Data - (Fifth-Year Projection Only)

☐ County Birth Data ☐ Birth Data by District ZIP Codes ☐ Estimate ☐ Estimate ☐ Estimate

8th Prev.	7th Prev.	6th Prev.	5th Prev.	4th Prev.	3rd Prev.	2nd Prev.	Previous	Current

I certify, as the District Representative, that the information reported on this form and, when applicable, the High School Attendance Area Residency Reporting Worksheet attached, is true and correct and that:

- I am designated as an authorized district representative by the governing board of the district.
- If the district is requesting an augmentation in the enrollment projection pursuant to Regulation Section 1859.42.1 (a), the local planning commission or approval authority has approved the tentative subdivision map used for augmentation of the enrollment and the district has identified dwelling units in that map to be contracted. All subdivision maps used for augmentation of enrollment are available at the district for review by the Office of Public School Construction (OPSC).
- This form is an exact duplicate (verbatim) of the form provided by the Office of Public School Construction. In the event a conflict should exist, then the language in the OPSC form will prevail.

NAME OF DISTRICT REPRESENTATIVE (PRINT OR TYPE)

SIGNATURE OF DISTRICT REPRESENTATIVE

DATE

TELEPHONE NUMBER

E-MAIL ADDRESS

APPENDIX C

FIVE YEARS DEVELOPER FEE COLLECTIONS DATA

Five-Year Developer Fee Collections		
Residential Construction		
Year	Square Feet	Amount Collected
2006/2007	305,111	\$ 561,204
2007/2008	123,015	\$ 229,348
2008/2009	97,941	\$ 180,248
2009/2010	25,183	\$ 46,333
2010/2011	76,627	\$ 216,016
Totals	627,877	\$ 1,233,149
Estimated Square Fee per Project	1,500	
Estimated Number of Projects	419	
State Approved Student Generation Rate	0.7	
Estimated Number of New Students	293	
Commercial/Industrial Construction		
Year	Square Feet	Amount Collected
2006/2007	137,328	\$ 41,198
2007/2008	56,771	\$ 14,016
2008/2009	29,929	\$ 8,979
2009/2010	2,591	\$ 777
2010/2011	864	\$ 259
Totals	227,483	\$ 65,229

APPENDIX D

SAN DIEGO TRAFFIC GENERATORS STUDY

**SAN DIEGO TRAFFIC GENERATORS ESTIMATED MODERNIZATION AND NEW CONSTRUCTION
COST PER SQUARE FOOT OF COMMERCIAL/INDUSTRIAL CONSTRUCTION FOR LOMPOC UNIFIED
SCHOOL DISTRICT**

	S.F. / Employee	Number of Employees per Square Foot	Total Employees per 10,000 square feet	Percent In-District Employees	Number of In-District Employees	Standard Household Factor	In-District Households	Standard Student Generation Rate	Students Generated per 10,000 square feet	Weighted Cost per Student (Modernization)	Cost per 10,000 Square Foot	Cost per Square Foot	80% reduction to adjust for new employees occupying existing housing	Adjusted cost per square foot
Office	290	0.0034	34.48	50%	17.24	1.5	11.49	0.7	8.05	\$9,204	\$74,055	\$7.41	20%	\$1.48
Research and Development	575	0.0017	17.39	50%	8.70	1.5	5.80	0.7	4.06	\$9,204	\$37,350	\$3.73	20%	\$0.75
Retail	450	0.0022	22.22	50%	11.11	1.5	7.41	0.7	5.19	\$9,204	\$47,724	\$4.77	20%	\$0.95
Communica- tions and Utilities	350	0.0029	28.57	50%	14.29	1.5	9.52	0.7	6.67	\$9,204	\$61,360	\$6.14	20%	\$1.23
Light Industry	350	0.0029	28.57	50%	14.29	1.5	9.52	0.7	6.67	\$9,204	\$61,360	\$6.14	20%	\$1.23
Warehouse	750	0.0013	13.33	50%	6.67	1.5	4.44	0.7	3.11	\$9,204	\$28,635	\$2.86	20%	\$0.57
Transportation	500	0.0020	20.00	50%	10.00	1.5	6.67	0.7	4.67	\$9,204	\$42,952	\$4.30	20%	\$0.86
Heavy Industry	500	0.0020	20.00	50%	10.00	1.5	6.67	0.7	4.67	\$9,204	\$42,952	\$4.30	20%	\$0.86

APPENDIX E

MAP OF DISTRICT

