

LOMPOC UNIFIED SCHOOL DISTRICT’S 2022-2023 ANNUAL DEVELOPER FEE REPORT AND FIVE –YEAR DEVELOPER FEE FINDINGS

(Government Code §§ 66001 & 66006)

2022-2023 FISCAL YEAR

I. Annual Developer Fee Report

The fee amounts reported were authorized by the District’s Board of Education.¹ The fees partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the school facilities necessary to accommodate student growth.

Each of the capitalized letters A-H below, correspond to the specific letter and portion of Government Code section 66006(b)(1):

A. FEES COLLECTED IN FUND 25 (CAPITAL FACILITIES FUND) - A brief description of the types of Developer Fees in the Fund:

(1) Level 1 Developer Fees

- Commercial/industrial development
 - Self-storage category of commercial/industrial development
 - Indoor agriculture facility/nursery category of commercial/industrial development
 - Hotel/Motel category of commercial/industrial development
 - All other categories of commercial/industrial development
- Senior Housing
- Residential
 - New residential development, including Accessory Dwelling Units (“ADU”)
 - Residential additions, remodels, expansions, reconstruction

B. AMOUNT OF FEE – The amount of the Developer Fees for the 2022-2023 fiscal year:

Type of Fee Collected	Amount of Fee (\$/sf)		
	Effective Date: ²	10/12/2018	08/27/2022
Level 1 – Self-storage		\$0.61	\$0.025
Level 1 – Hotel/Motel		\$0.61	\$0.448
Level 1 – Indoor Agriculture Facility/Nursery		\$0.61	\$0.747
Level 1 – Commercial/Industrial (all other)		\$0.61	\$0.78
Level 1 – Residential (all other)		\$3.79	\$4.79

C. BEGINNING & ENDING FUND BALANCE FOR FISCAL YEAR 2022-2023:

¹ See Resolution No. 4406, dated June 28, 2022, and Resolution No. 3057, dated August 13, 2018, each incorporated herein by reference.

² 60-days after adoption of resolution.

July 1, 2022 Beginning Fund Balance:	\$1,172,478
June 30, 2023 Ending Fund Balance:	\$1,306,342

D. REVENUE – The amount of the Developer Fees collected and the interest earned for the 2022-2023 fiscal year:

Amount of Fees Collected (Gross)*:	\$120,263
Interest Earned:	\$19,945
Other Revenue Sources:	(\$3,834)
TOTAL REVENUE (GROSS):	\$133,864

*This gross amount represents fees collected before the issuance of any refunds notated in Item H

E. EXPENDITURES – Projects on which Developer Fees were expended during the 2022-2023 fiscal year and the amount of the expenditures on each Project, including the total percentage of the cost of the Project that was funded with Developer Fees:

Project	Total Cost of Project	Amount of Developer Fees Expended in 2022-2023 Fiscal Year	% Funded with Developer Fees
Preparation of Developer Fee Justification Study, dated June 17, 2022 (Cooperative Strategies R22-03273)*	\$8,500	\$0	0%
Reimbursement of Administrative Costs Incurred for Collecting Developer Fees for 2022-2023 Fiscal Year (up to 3% of amount of Developer Fees collected in same fiscal year)*	n/a	See Table G, below	
TOTAL EXPENDITURES:		\$0	N/A

*(Ed. Code, §17620(a)(5))

F. INCOMPLETE PROJECTS FUNDED WITH DEVELOPER FEE REVENUES – Incomplete Projects for which sufficient funds have been collected (as of the end of the 2022-2023 Fiscal Year) to complete financing of the Project, and the approximate date by which construction of the Project will commence:

Incomplete Projects for Which Sufficient Funds Have Been Collected to Complete Financing of Project	Approximate Date Construction Will Commence	Anticipated Funding Amount

Classroom Construction Project: the district has not collected sufficient funds. See description below.	n/a	n/a
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The District Board adopted a Master Plan in March, 2023, listing needed school facilities. This Master Plan is incorporated herein by reference. The District has also begun gathering all relevant data and contracting with a consultant in order to prepare an updated Developer Fee Justification Study that coincides with the State Allocation Board’s 2024 biennial adjustment to the amount of Level 1 residential and commercial/industrial Developer Fees, which typically occurs every other year at the SAB’s January meeting.

The District currently has a need for 46 additional classrooms, but only has funding through ESSER for 10 classrooms. Construction of these classrooms is necessary to accommodate ongoing student enrollment resulting in continuing demands on school facilities, and are required to maintain existing levels, and standards, of service Districtwide. The District anticipates funding the additional 36 classroom projects with Developer Fees when sufficient funds of \$40,495,000 have been collected. The approximate date construction will commence is dependent on funding and is projected to be more than ten years unless the district is able to supplement the difference through an approved General Obligation Bond.

G. INTERFUND TRANSFERS & LOANS – Description of each interfund transfer or loan made to and/or from the Fund for the 2022-2023 fiscal year:

Amount of Interfund Transfer or Loan	Project that Transferred or Loaned Fees Expended on	Date Loan to be Repaid on (Loans Only)	Rate of Interest on Loan (Loans Only)
No Interfund Transfers or Loans were made	n/a	n/a	n/a

The District will transfer \$3,607.89 in the 23/2024 year from Fund 25 to the General Fund to reimburse the District for administrative costs incurred for collecting Developer Fees during the 22/2023 year pursuant to statute.

H. REFUNDS & ALLOCATIONS – The amount of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to Government Code section 66001(f) for the 2022-2023 fiscal year:

Refunds Made:	\$2,509.96
Allocations Made:	n/a

II. Five-Year Developer Fee Findings

The following findings are made in connection with the public information set forth in the District’s 2022-2023 Annual Developer Fee Report.

A. PURPOSE TO WHICH DEVELOPER FEE IS TO BE PUT (Gov. Code, §66001(d)(1)(A)):
With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2022-2023 fiscal year, the purpose of the Developer Fees is to finance the construction or reconstruction, including refurbishment, of School Facilities necessary to accommodate ongoing student enrollment resulting in continuing demands on school facilities resulting from development, cover costs attributable to the increased demand for School Facilities reasonably related to new development and necessary to maintain existing levels, and standards, of service, and reduce overcrowding caused by the development on which the fees were levied. As necessary, the fees will be used to provide interim housing for children generated by new development and for other school-related considerations relating to the District’s ability to accommodate enrollment growth generated from new development as permitted by law. Likewise, fees will also be used for other indirect and support services related to construction and reconstruction of School Facilities necessitated by growth resulting from new development. Projects (and other school-related considerations) include, without limitation, the following:

<u>Project</u>	<u>Estimated Cost</u>
1. Justification Study	\$7,500 + reimbursable expenses
2. 36 additional classrooms needed to accommodate ongoing student enrollment resulting in continuing demand for school facilities	\$40,495,000
3. Classroom and other school facility modernization, expansion, conversion, and new construction projects set forth in the District’s Master Facilities Plan, incorporated herein by reference	Refer to Master Facilities Plan, incorporated herein

Note: The District has commissioned site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District’s long-term facility needs. These documents will include lists of recommended projects, in order of need and priority.

The District further incorporates the facts and findings set forth in Resolution No. 4406, dated June 28, 2022, Resolution No. 3057, dated August 13, 2018, and Resolution No. 2441, dated May 24, 2016, which are collectively referred to as the “School Facilities Fee Resolutions”, and are incorporated herein by reference. The District further incorporates the facts and findings set forth in (i) Residential and Commercial/Industrial Development School Fee Justification Study, dated June 17, 2022; (ii) Developer Fee Justification Study, dated 2018; and (iii) Developer Fee Justification Study, dated 2016, which are collectively referred to as the “Justification Studies”, and are incorporated herein by reference.

B. REASONABLE RELATIONSHIP BETWEEN DEVELOPER FEE & PURPOSE (Gov. Code, §66001(d)(1)(B)): There is a reasonable relationship between the Developer Fees charged for residential and commercial/industrial development and the purposes for which they will be expended, as described in Paragraph A, in that the students that are generated by residential and commercial/industrial development will be accommodated by the School Facilities for which the Developer Fees are expended. The District is currently over capacity and does not have any excess capacity to house students in its current facilities, does not have adequate facilities to accommodate students from new development, and thus there is a reasonable relationship between the Developer Fees charged and the need for construction and reconstruction, including refurbishment, of School Facilities. The Developer Fees collected do not exceed the cost of accommodating students generated by development. Rather, the Developer Fees only partially mitigate the impact caused by residential and commercial/industrial development and do not adequately fund the School Facilities necessary to accommodate ongoing student enrollment resulting in continued demands on school facilities.

The District further incorporates herein the facts and findings set forth in the School Facilities Fee Resolutions and Justification Studies.

C. ANTICIPATED SOURCES & AMOUNTS OF FUNDING TO COMPLETE FINANCING OF INCOMPLETE PROJECTS (Gov. Code, §66001(d)(1)(C)): With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2022-2023 fiscal year, the sources and amounts of Anticipated Funding to complete financing of any incomplete improvements identified in Paragraph A are as follows:

<u>Anticipated Source of Funding</u>	<u>Anticipated Amount of Funding</u>
Developer Fees	Refer to Table A, above
Possible GO Bond November, 2024	The difference between classroom project cost and Developer Fees in Fund 25
Total Anticipated Funding:	n/a

Note: The District has commissioned site facility condition assessments, site master planning, and a district-wide, comprehensive master facilities plan, which will also include a plan for funding the District's long-term facility needs. These documents will include lists of recommended projects, in order of need and priority. Developer Fees will be included in the funding model, to address construction/renovation (refurbishment) needs resulting from increased student enrollment due to development.

D. APPROXIMATE DATE THAT ANTICIPATED FUNDING IS EXPECTED (Gov. Code, §66001(d)(1)(D)): With respect to only that portion of the Developer Fees Fund remaining unexpended at the end of the 2022-2023 fiscal year, the following are the approximate dates on which the Anticipated Funding referred to in Paragraph C above is expected to be deposited into the Fund:

<u>Anticipated Source of Funding</u>	<u>Approximate Dates Funding Expected</u>
Developer Fees	Ten plus years
Possible GO Bond	Subsequent to November 2024 vote, if passed