

**RESOLUTION NO. _____ OF THE BOARD OF EDUCATION OF THE LOMPOC
UNIFIED SCHOOL DISTRICT REGARDING ACCOUNTING OF DEVELOPER FEES
(ANNUAL DEVELOPER FEE REPORT & FIVE-YEAR FINDINGS)
FOR THE 2023-2024 FISCAL YEAR
IN THE FOLLOWING FUND OR ACCOUNT:**

Fund 25, Capital Facilities Fund
(Government Code sections 66001(d) & 66006(b))

1. **Authority and Reasons for Adopting this Resolution.**
 - A. Pursuant to Government Code section 65995(b)(3), the State Allocation Board, at its meeting in January 2022, and subsequently at its meeting in January 2024, adjusted the maximum amount of statutory school impact fees that may be imposed on new development based on the RS Means Construction Cost Index, which is independently published and referenced in the statute establishing school impact fees.
 - B. Lompoc Unified School District (the “District”) has imposed statutory and/or other fees imposed on new development (“Developer Fees”) pursuant to various resolutions, including, without limitation, Resolution No. 4925, dated April 16, 2024, Resolution No. 4406, dated June 28, 2022, and Resolution No. 3057, dated August 13, 2018, which are collectively referred to herein as the “School Facilities Fee Resolutions” and are hereby incorporated by reference into this Resolution. These resolutions were adopted under the authority of Education Code section 17620, *et seq.* and Government Code section 65995, *et seq.*
 - C. Pursuant to the School Facilities Fee Resolutions, the District adopted, respectively, the: (i) Residential and Commercial/Industrial Development School Fee Justification Study, dated April 1, 2024, (ii) Residential and Commercial/Industrial Development School Fee Justification Study, dated June 17, 2022; and (iii) Developer Fee Justification Study, dated 2018 (collectively, the “Justification Studies”, incorporated herein by reference). The Justification Studies and adopting School Facilities Fee Resolutions establish the requisite reasonable relationship (essential nexus) and rough proportionality between the purpose, need for, and use of the Developer Fees and the impact of development constructed within the District’s boundaries in accordance with applicable law.
 - D. The collection of the Developer Fees is essential to provide necessary public school facilities to serve residential and commercial/industrial development projects, and is necessary to avoid, substantially lessen, or otherwise mitigate impacts of such projects on school facilities under the California Environmental Quality Act (Public Resources Code, §§21000, *et seq.*).
 - E. The District has received and expended Developer Fees in fiscal year 2023-2024 in connection with the construction, reconstruction, rehabilitation, and refurbishment of school facilities of the District (“School Facilities”) necessary to accommodate student population growth resulting from development, to cover costs attributable to the increased demand for School Facilities reasonably related to new development and necessary to

maintain existing levels of service, to reduce overcrowding caused by the development on which the fees were imposed, to reimburse the District for expenditures previously made on School Facilities, and/or for indirect and support services and other school-related considerations relating to the District's ability to accommodate enrollment growth generated from new development as permitted by law, including administrative costs in connection with the collection of fees, and legal fees and other costs connected with the establishment of the fee and the required reportings. Such School Facilities projects (and other school-related considerations) include, without limitation, projects listed in the attached 2023-2024 Annual Developer Fee Report and Five-Year Developer Fee Findings, prior approved Annual Developer Fee Reports and Five-Year Findings, the Justification Studies, and the District's Facilities Master Plan, adopted March 2023, and any updates thereto ("Master Plan"), which are each incorporated herein by reference.

- F. In accordance with California Government Code section 66006(a), the District has established a separate capital facilities account or fund more specifically identified as **Fund 25, Capital Facilities Fund** ("Fund"), deposited these Developer Fees in the Fund (including interest income earned thereon), maintained the Fund in a manner to avoid any commingling of the Developer Fees with other revenues and funds of District, except for temporary investments, as applicable, and expended the Developer Fees solely for the purposes for which they were collected.
- G. Government Code section 66006(b)(1) requires the District to make an annual accounting of the Fund ("Annual Developer Fee Report"), which shall contain the following information for the fiscal year:
- (i) A brief description of the type of Developer Fees in the Fund;
 - (ii) The amount(s) of the Developer Fee(s);
 - (iii) The beginning and ending balance of the Fund;
 - (iv) The amount of the Developer Fees collected and the interest earned;
 - (v) An identification of each District public improvement ("Project") that Developer Fees were expended on, 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;
 - (vi) An identification of an approximate date by which the construction of a Project will commence if the District determines that sufficient funds have been collected to complete financing on an incomplete Project, as identified in Government Code section 66001(a)(2), and the Project remains incomplete;
 - (vii) An identification of each Project identified in a previous Annual Developer Fee Report, and whether construction began on the approximate date noted in the previous Report. If construction did not commence by the approximate date

provided in the previous Report, the reason for the delay and a revised approximate date that construction will commence.

- (viii) A description of each interfund transfer or loan made from the Fund, including the Project on which the transferred or loaned Developer Fees will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the Fund will receive on the loan; and
 - (ix) The amount of refunds made pursuant to Government Code section 66001(e), the number of persons or entities identified to receive those refunds, and any allocations made pursuant to Government Code section 66001(f).
- H. Furthermore, Government Code section 66001(d) provides that for the fifth fiscal year following the first deposit of Developer Fees into the Fund, and every five years thereafter, the District shall make all of the following “Findings” with respect to that portion of the Fund remaining unexpended, whether committed or uncommitted, if there are any funds remaining in the Fund at the end of the 2023-2024 fiscal year:¹
- (i) Identification of the purposes to which the Developer Fees are to be put;
 - (ii) Demonstration of a reasonable relationship between the Developer Fees and the purposes for which they are charged;
 - (iii) Identification of all sources and amounts of funding anticipated to complete financing of the District’s incomplete Projects (“Anticipated Funding”); and
 - (iv) Designation of the approximate dates on which the Anticipated Funding is expected to be deposited into the Fund.

When the Findings are required by Government Code section 66001(d), they shall be made in connection with the Annual Developer Fee Report required by Government Code section 66006.

- I. Government Code sections 66001(d) and 66006(b)(2) further require that the Annual Developer Fee Report and the proposed Five-Year Developer Fee Findings be made available to the public no later than **December 27, 2024**, that the Annual Developer Fee Report information and proposed Findings be reviewed by this Board at its next regularly scheduled board meeting held no earlier than 15 days after such information becomes available to the public, and that notice of the time and place of this meeting (as well as the address and website where the Annual Developer Fee Report and proposed Findings may be reviewed) be mailed at least 15 days prior to this meeting to anyone who has requested it. Any person may file a written request for mailed notice of the District’s

¹ Although the Five Year Findings under Section 66001 are only required every five years, in the interest of transparency and consistency, the District strives to provide the information set forth under subpart (d) on an annual basis. The District’s legal obligation to provide the information set forth in Government Code section 66001 is only mandated every five-years from the date of first deposit into Fund 25 after it was established.

Board Meeting to review the Annual Developer Fee Report pursuant to Government Code section 66006(b).

- J. The Annual Developer Fee Report for the **2023-2024** fiscal year and proposed Five-Year Developer Fee Findings are attached hereto as Exhibit “A” and incorporated herein (the “Annual Developer Fee Report and Five-Year Findings”). The Superintendent has informed this Board that the Annual Developer Fee Report and proposed Findings were made available to the public on **December 9, 2024**, and may be found on the District’s website at the following link: <https://www.lusd.org/departments/business-services>. The Superintendent has further informed this Board that notice of the time and place of this meeting (as well as the address and website at which this information has been available for review) was posted on the District’s website and mailed at least 15 days prior to this meeting to anyone who had requested it.
- K. The District has substantially complied with all of the foregoing provisions.
- L. The Superintendent has also informed this Board that there is no new information which would adversely affect the validity of any of the findings made by this Board in its applicable School Facilities Fee Resolutions.
- M. Pursuant to Government Code section 66006(d), any person may request an audit of the District’s Developer Fees pursuant to Government Code section 66023.

2. **What This Resolution Does**

This Resolution makes various findings and takes various actions regarding the Fund, including the approval and adoption of the **2023-2024** Annual Developer Fee Report and Five-Year Developer Fee Findings, as required by and in accordance with Government Code sections 66001(d) and 66006(b).

NOW, THEREFORE, BASED ON ALL FINDINGS AND EVIDENCE CONTAINED IN, REFERRED TO, OR INCORPORATED INTO THIS RESOLUTION, AS WELL AS THE EVIDENCE PRESENTED TO THIS BOARD AT THIS MEETING, THE BOARD OF EDUCATION OF LOMPOC UNIFIED SCHOOL DISTRICT HEREBY, FINDS, RESOLVES, DETERMINES, AND ORDERS AS FOLLOWS:

Section 1: That the foregoing recitals are true, and together with the Exhibits hereto, are incorporated herein.

Section 2: That the proposed 2023-2024 Annual Developer Fee Report and Five-Year Developer Fee Findings (“2023-2024 Report & Findings”) are attached hereto at Exhibit A and incorporated herein by reference.

Section 3: That, pursuant to Government Code sections 66001(d) and 66006(b)(1) and (2), the District has made available to the public the requisite information and proposed findings concerning collection and expenditure of Developer Fees related to School Facilities for students resulting from new development within the District and other permitted expenditures. Furthermore, pursuant to Government Code sections 66001(d)(2) and 66006(b)(2), the Board has reviewed the proposed 2023-2024 Report &

Findings at a public meeting not less than 15 days after the Developer Fees Report and proposed Findings were made available to the public and notice was posted on the District's website and mailed as required.

Section 4: That, in accordance with Government Code section 66006(b)(2), this Board has reviewed the 2023-2024 Report & Findings as contained in Exhibit A (attached hereto and incorporated herein), and determined that the Report meets the requirements set forth in Government Code section 66006(b)(1).

Section 5: Together in conjunction of its review and consideration of the 2023-2024 Report & Findings, the Board has reviewed and considered the District's School Facilities Fee Resolutions, the current and past Justification Studies, the prior Annual Developer Fee Reports and Five-Year Findings, including, without limitation, the Report & Findings from fiscal year 2022-2023 and its adopting Resolution, dated January 9, 2024 ("Prior Report"), the Master Plan, and the findings set forth therein, respectively, and hereby reasserts said findings. The School Facilities Fee Resolutions, the Justification Studies, the Prior Report, and the Master Plan are incorporated herein by reference.

Section 6: That the collection of the Developer Fees is essential to provide necessary public school facilities to serve residential and commercial/industrial development projects, and is necessary to avoid, substantially lessen, or otherwise mitigate impacts of such projects under the California Environmental Quality Act (Pub. Res. Code, §§21000, et seq.). Moreover, the Board reaffirms its findings that the Justification Studies and adopting School Facilities Fee Resolutions establish the requisite reasonable relationship (essential nexus) and rough proportionality between the purpose, need for, and use of the Developer Fees and the impact of development constructed within the District's boundaries in accordance with applicable law as more specifically set forth therein, and as set forth in the 2023-2024 Report & Findings.

Section 7: That, in accordance with Government Code section 66001(d), the District's proposed Five-Year Developer Fee Findings as set forth in the 2023-2024 Report & Findings at Exhibit A (attached hereto and incorporated herein) contains the requisite findings and are made in connection with the public information set forth in the Annual Developer Fee Report. The District's School Facility Fee Resolutions and the District's Justification Studies, and the facts and findings set forth therein, have been considered by the Board and are incorporated herein.

Section 8: That the Board hereby determines that all Developer Fees, collections, and expenditures have been received, deposited, invested, expended, and reported in compliance with the relevant sections of the Government Code and all other applicable laws.

Section 9: That the unexpended amounts currently held in the Fund are either encumbered for projects already approved by the Board or will be needed for projects already identified in the District's budget, prior and current Annual Reports & Findings, and/or facilities master planning documents (including, without limitation, the Master Plan) and as otherwise justified by the Justification Studies and adopted by the School Facilities Fee Resolutions.

Section 10: The Board hereby determines that, because all of the findings required by Government Code section 66001(d) have been made with respect to the fees that were imposed as more specifically set forth in Exhibit A, the District is not required to refund any moneys in the Fund as provided in Government Code section 66001(e).

Section 11: That the Board hereby determines that the District is in compliance with Government Code section 66000, *et seq.*, relative to receipt, deposit, investment, expenditure, reporting, or refund of Developer Fees received and expended relative to School Facilities for students generated from new development.

Section 12: That the Board hereby approves and adopts the attached 2023-2024 Annual Developer Fees Report and Five-Year Developer Fee Findings (Exhibit A hereto).

Section 13: The Board further directs and authorizes the Superintendent to take on its behalf such further action as may be necessary and appropriate to effectuate this Resolution.

PASSED AND ADOPTED, THIS 14th DAY OF JANUARY, 2025, BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

I, William Caldeira, President of The Board of Education of the Lompoc Unified School District of Santa Barbara County, California, do hereby certify that the foregoing is a full, true, and correct copy of the resolution adopted by said Board at a regular meeting thereof held in the regular place of meeting at the time and by the vote above stated, which resolution is on file in the office of said Board.

Signature

EXHIBIT A

LOMPOC UNIFIED SCHOOL DISTRICT'S 2023-2024 ANNUAL DEVELOPER FEE REPORT AND FIVE –YEAR DEVELOPER FEE FINDINGS

(Government Code §§ 66001 & 66006)

2023-2024 FISCAL YEAR

I. Annual Developer Fee Report

The fee amounts reported were authorized by the District’s Board of Education.² 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: School impact fees (aka Developer Fees)

(1) Level 1 fee rates

- 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 (as more specifically defined under Government Code, § 65995.1(a))
- 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 2023-2024 fiscal year:

Type of Development	Amount of Fee Rate (\$/sf)		
	<i>Effective Date:</i> ³	08/27/2022	06/15/2024
Level 1 – Self-storage		\$0.025	\$0.029
Level 1 – Hotel/Motel		\$0.448	\$0.513
Level 1 – Indoor Agriculture Facility/Nursery		\$0.747	\$0.84
Level 1 – Commercial/Industrial (all other)		\$0.78	\$0.84
Level 1 – Senior Housing		\$0.78	\$0.84
Level 1 – Residential (all other)		\$4.79	\$5.17

² See Resolution No 4925, dated April 16, 2024, and Resolution No. 4406, dated June 28, 2022, each incorporated herein by reference.

³ 60-days after adoption of resolution.

C. BEGINNING & ENDING FUND BALANCE FOR FISCAL YEAR 2023-2024:

July 1, 2023 Beginning Fund Balance:	\$1,306,342
June 30, 2024 Ending Fund Balance:	\$1,462,694

D. REVENUE – The amount of the Developer Fees collected and the interest earned for the **2023-2024** fiscal year:

Amount of Fees Collected (Gross):	\$102,440.01
Interest Earned:	\$ 34,688.55
Other Revenue Sources:	\$ 26,094.20 ⁴
TOTAL REVENUE (GROSS):	\$163,222.76

E. EXPENDITURES – Projects on which Developer Fees were expended during the **2023-2024** 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 2023-2024 Fiscal Year	% Funded with Developer Fees
Preparation of Developer Fee Justification Study, dated April 1, 2024 (Woolpert/Cooperative Strategies R24-01901)	\$7,620.95	\$6,870.95	90.2%
TOTAL EXPENDITURES:		\$6,870.95	N/A

⁴ Fair value of investments.

F. INCOMPLETE PROJECTS FUNDED WITH DEVELOPER FEE REVENUES – Incomplete Projects for which sufficient funds have been collected (as of the end of the **2023-2024** 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	If Project Did Not Commence by Date Stated per Previous Report: Reason & Revised Anticipated Commencement Date
2026 Developer Fee Justification Study	n/a	\$8,000.00 + reimbursable expenses	N/A
Overage for five of ESSER funded new classrooms (elementary). ⁵	Under construction	\$702,141.00	N/A

The District intends to begin gathering all relevant data and contracting with a consultant in 2025 in order to prepare an updated Developer Fee Justification Study that coincides with the State Allocation Board’s 2026 biennial adjustment to the amount of Level 1 Developer Fee rates for residential and commercial/industrial construction, which typically occurs every other year in even-numbered years at the SAB’s January meeting.

The District’s Measure M Bond, an \$160 million general obligation school improvements bond, also known as the Lompoc Unified School District Classroom Repair Measure, passed in November 2024. The purpose of these funds is to “repair/upgrade classrooms, labs, career-training facilities/technology to prepare students for college/careers in science, technology, engineering/skilled trades; improve student safety/campus security; fix deteriorating roofs, plumbing, electrical/ventilation; repair, construct, acquire classrooms, facilities, sites/equipment.” (District Board Resolution, No. 4995, p. A-1 (Exhibit A), adopted June 25, 2024). While the passage of Measure M provides funding for much needed school facility repairs and improvements, it does not cover the projected cost of all needed school facilities. More specifically, the District’s Board adopted a Five-Year Master Plan (2023-2028) in March 2023, listing needed school facilities that total over \$439.5 million in projected costs. This Master Plan is incorporated herein by reference.

As set forth in the Master Plan, the District currently has a need for 46 additional classrooms at a projected cost of over \$68 million. While the District has funding through ESSER for 10 classrooms, that leaves 36 needed classrooms unfunded at a cost of in excess of approximately \$53 million, plus the unfunded costs of needed improvements ancillary to such classrooms (restrooms, playground upgrades and improvements, etc.), which is projected to be over \$13.8 million. Construction of these classrooms

⁵ The District has funding through ESSER for 10 of the 46 needed classrooms, however project cost overruns have resulted in a discrepancy between the amount of ESSER funds received by the District and the actual project cost for at least 5 of the 8 ESSER funded classrooms (elementary) currently under construction (construction is phased and is anticipated to commence for the remaining two ESSER funded classrooms in 2025-2026). Developer fees are earmarked to cover these cost overruns, which is currently projected to be approximately \$702,141.00 in fiscal year 2024-2025).

and ancillary spaces is necessary to accommodate ongoing student enrollment generated by new development resulting in continuing demands on school facilities, and is required to maintain existing levels, and standards, of service Districtwide.

The District anticipates funding the additional 36 classroom projects (plus ancillary improvements) with Developer Fees when sufficient funds of approximately \$66.8 million have been collected. The approximate date construction will commence is dependent on funding and will likely be phased over a period of more than five years, with anticipated funding from developer fees expected to equal over \$1 million dollars over the course of five years.

G. INTERFUND TRANSFERS & LOANS – Description of each interfund transfer or loan made to and/or from the Fund for the 2023-2024 fiscal year:⁶

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

⁶ Reimbursement of direct and administrative costs incurred for collecting developer fees for 2023-2024 fiscal year (3% of amount of developer fees collected for fiscal year) pursuant to Education Code section 17620(a)(5) equals \$3,073.20 for fiscal year 2023-2024, and will be reflected as a transfer in the fiscal year 2024-2025 report.

H. REFUNDS & ALLOCATIONS – The amount and number of refunds made pursuant to Government Code section 66001(e) and allocations made pursuant to Government Code section 66001(f) for the 2023-2024 fiscal year:

Refunds Made: ⁷	1
Allocations Made:	n/a

⁷ Refunds issued in FY 2023-2024 for reasons **other** than pursuant to Government Code section 66001(e): One refund for a total of \$17,417.69.

II. Five-Year Developer Fee Findings

The following findings are made in connection with the public information set forth in the District's 2023-2024 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 2023-2024 fiscal year, the purpose of the Developer Fees is to finance the construction or reconstruction, including refurbishment and rehabilitation, 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 imposed.

Due to the age of the District's facilities and their current state, and in light of the projected increased demand on these facilities, the District will need to utilize the Developer Fees to perform significant reconstruction, rehabilitation, and refurbishment of its existing school facilities to adequately house students in the future and maintain existing levels of service, as well as to accommodate the matriculation of projected unhoused students. While the passage of Measure M (\$160 mil) provides funding for much needed school facility repairs and improvements, it does not cover the projected cost of all needed school facilities. More specifically, the District's Master Plan identifies needed school facilities that total over \$439.5 million in projected costs.⁸

Additionally, 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:

⁸ In addition to the needed 36 additional elementary classrooms (\$66,800,000) and the replacement of over 136 portable classrooms with permanent classrooms at the District's elementary, middle, and high school campuses (\$108,632,700) listed in the Table below, the Master Plan also identifies significant school facility new construction, reconstruction, rehabilitation, and refurbishment projects that total in excess of \$74 million that are necessary to accommodate students generated from new development and/or maintain existing levels of service due to increased demand on the District's facilities, including, without limitation: kindergarten classroom and playground improvements and library conversion projects at the District's elementary schools; improvements and expansions to parking lots and administrative office space at the District's elementary schools, middle schools, and high schools; music classroom expansions at the District's middle schools; modernization of its middle school and high school gyms and MPRs; construction of a new cafeteria building with indoor dining at Lompoc Valley Middle School; high school theater upgrade and expansions; conversion of existing track facilities to all-weather track at the District's middle schools and high schools, and other athletic facility expansions, reconstruction, and/or improvements (i.e., volleyball, stadiums, baseball/softball, swimming pools, etc.); and food service building improvements. Construction of these school facility improvements and expansions is necessary to accommodate ongoing student enrollment generated by development resulting in continuing demands on school facilities, and is required to maintain existing levels, and standards, of service Districtwide.

Project	Estimated Cost
1. 2026 Justification Study	Approximately \$8,000 + reimbursable expenses
2. Overage for five of ESSER funded new classrooms (elementary)	Approximately \$702,141.00 (overage amount only)
3. New classroom construction (elementary) plus ancillary facilities (i.e., restrooms, playground improvements) to accommodate students generated by new development and/or classroom reconstruction (elementary, middle, & high school campuses) to accommodate students generated by new development and to maintain existing levels of service to accommodate the matriculation of elementary students generated by new development to middle and high school	Approximately \$175,432,700.00

The District incorporates the facts and findings set forth in Resolution No 4925, dated April 16, 2024, Resolution No. 4406, dated June 28, 2022, and Resolution No. 3057, dated August 13, 2018, 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 April 1, 2024; (ii) Residential and Commercial/Industrial Development School Fee Justification Study, dated June 17, 2022; and (iii) Developer Fee Justification Study, dated 2018, 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. As set forth in the District’s 2024 Justification Study, projected student enrollment generated from future residential units is anticipated to be 982 students, of which 276 are projected to be unhoused necessitating the construction of new classroom space. Additionally, the District will need to reconstruct and refurbish its existing elementary school facilities as needed due to increased demand on these facilities to maintain existing levels of services, as well as its existing middle school and high school facilities to maintain existing levels of service to accommodate the matriculation of projected unhoused students. This will also necessitate the expansion of central administrative and support facilities to serve such enrollment growth. As provided in the District’s Justification Study, the impact per residential square foot of construction exceeds the maximum statutory residential Developer Fee (\$5.17/sf) permitted, and therefore the Developer Fees provide for less than 100 percent of the school facilities cost impacts. Likewise, the cost impact per commercial/industrial square foot of construction exceeds the maximum statutory commercial/industrial Developer Fee (\$0.84/sf) permitted (except for Hotel/Motel and Self-

Storage categories, which are justified at \$0.513/sf and \$0.029/sf, respectively), and therefore such commercial/industrial Developer Fees similarly provide for less than 100 percent of the school facilities cost impacts. Thus, there is a reasonable relationship and rough proportionality between the purpose, need for, and use of the Developer Fees charged, the need for construction and reconstruction, including refurbishment and rehabilitation, of School Facilities, and the impact of development constructed within the District’s boundaries in accordance with applicable law. 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 2023-2024 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 (Project No. 1; portion of Projects No. 2 & 3)	Approximately \$41,239,149.40
Measure M GO Bond funds (portion of Project No. 3 only)	Approximately \$160,000.00 ⁹
ESSER (portion of Project No. 2 only)	Approximately \$7,392,000 (excluding overage amount)

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 2023-2024 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	Projects No. 1 and No. 2 are fully funded and will be implemented in 2025-2026; Project No. 3 will be phased as funding is received over an anticipated 15 year period.
Measure M GO Bond funds	As Measure M just passed in November 2024, expected funding dates are unknown at this time but are anticipated to be phased in increments over approximately 15 years.

⁹ The \$160 million in Measure M funds is to be appropriated to the projects listed in the Bond. Anticipated amount of Measure M funds that will be appropriated toward Project No. 3 is unknown at this time.

