

**BEFORE THE BOARD OF EDUCATION OF THE LODI UNIFIED SCHOOL DISTRICT
OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA**

RESOLUTION 2025-70

**APPROVING AND ADOPTING SCHOOL FACILITY FEE JUSTIFICATION REPORT
FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL DEVELOPMENT PROJECTS
AND AUTHORIZING INCREASE IN STATUTORY
LEVEL 1 DEVELOPER FEE RATES**

WHEREAS, Education Code section 17620, *et seq.*, and Government Code section 65995, *et seq.*, authorize the governing board of any school district within the state of California to levy a fee against residential, commercial and industrial development projects within the school district for the purpose of funding the construction and reconstruction of school facilities; and

WHEREAS, the Board of Education (“Board”) of the Lodi Unified School District (“District”) provides for the educational needs, including school facilities, for grades TK-12 within the District’s attendance boundaries and has previously adopted and imposed statutory school impact fees (“School Fees”) for new residential, commercial and industrial development pursuant to Education Code section 17620; and

WHEREAS, the District has previously received and expended School Fees in connection with the construction, reconstruction, rehabilitation, and refurbishment of school facilities of the District 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 reporting; and

WHEREAS, the collection of the School 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.*); and

WHEREAS, pursuant to Government Code section 65995(b)(3), the State Allocation Board, at its meeting on January 24, 2024, increased the maximum amount of School Fee rates that may be imposed on new development based on the RS Means construction Cost Index, which is independently published and referenced in statute establishing School Fees, to \$5.17 per square foot of assessable space for residential developments, including, without limitation, new residential construction, additions/remodels, conversions, Accessory Dwelling Units, residential reconstruction or redevelopment, and manufactured homes and mobile homes as authorized by applicable law (collectively, “residential development”), and \$0.84 per square foot for commercial and industrial developments; and

WHEREAS, the District currently has a student enrollment that is larger than the capacity of its school facilities, with a total school facility utilization of 112.1%, and 3,243 students are currently unhoused; therefore, the District does not have sufficient school facilities to house students generated by future development; and

WHEREAS, residential development and commercial/industrial development continue to generate additional students for the District's schools, with approximately 2,610 residential units expected to be constructed within the next five (5) years in the District, a total of 0.496 students are expected to be generated for each new residential housing unit, and the District is required to provide facilities to accommodate these new students; and

WHEREAS, the District does not have sufficient funds available for the construction, reconstruction, rehabilitation, and refurbishment of the school facilities to accommodate these new students, including potential acquisition of sites, construction of new permanent school facilities and central administrative and support facilities, and refurbishment of existing facilities, lease or acquisition of portable classrooms to meet temporary needs, to accommodate those anticipated unhoused students and maintain a level of service commensurate with that presently existing ("School Facilities"); and

WHEREAS, the District has identified construction, reconstruction, rehabilitation, and refurbishment needs for School Facilities in the District's Long-Range Facilities Plan Update to the 2016 Facilities Master Plan, dated December 2023 ("2023 FMP"); and

WHEREAS, the estimated per-pupil cost of providing School Facilities for unhoused students generated from future residential development, based on anticipated costs for the cost model projects in the 2023 FMP, is approximately \$115,571 per pupil, resulting in an average school facility cost of \$57,323 per new housing unit, or \$23.84 per square foot of residential development based on a home with average square footage of 2,404 square feet, to be constructed within the District; and

WHEREAS, future commercial/industrial development will further generate additional students in the District and all categories of this development will create an estimated School Facilities cost ranging from \$0.97 to \$76.57 per square foot, even after accounting for revenue from residential fees; and

WHEREAS, the District's fee consultant prepared a *School Facility Fee Justification Report for Residential, Commercial & Industrial Development Projects*, dated May 2025 ("Fee Justification Report"), attached hereto as **Exhibit "A"** and incorporated herein by reference, which analyzes the impacts of residential development and all categories of commercial/industrial development upon the District's enrollment, and the resulting needs for School Facilities; and

WHEREAS, more specifically, the Fee Justification Report includes information, documentation, and analysis of the School Facilities needs of the District, including, without limitation: (a) the purpose of the School Fees; (b) the use to which the School Fees are to be put; (c) the essential nexus (roughly proportional and reasonable relationship) between the residential and commercial/industrial development, and (1) the use for School Fees, (2) the need for School

Facilities, (3) the cost of School Facilities and the amount of School Fees from new residential and commercial/industrial development; (d) a determination of the impact of the increased number of employees anticipated to result from the commercial/industrial development (by category) upon the cost of providing School Facilities within the District; (e) an evaluation and projection of the number of students that will be generated by new residential development; (f) the School Facilities that will be required to serve such students; and (g) the cost of such School Facilities; and

WHEREAS, the Board reviewed and considered the findings in the Fee Justification Report, which analyzes the District's current and future facility needs, the estimated number of students which will be generated by new residential and commercial and industrial development projected within the District, the estimated number of students who may be unhoused based on District's current facilities and estimated number of students generated, and the estimated costs which will be required to construct, reconstruct, rehabilitate, and refurbish School Facilities to accommodate the students generated by such development; and

WHEREAS, the Fee Justification Report justifies the District's imposition of School Fees on residential construction as set forth in this Resolution by analyzing student generation rates for residential development projects and by demonstrating that new School Facilities are necessary to accommodate increased enrollment resulting from such new development; and

WHEREAS, the Fee Justification Report further justifies the District's imposition of School Fees on new commercial and industrial construction as set forth in this Resolution by analyzing specific categories of commercial and industrial development which were determined to impact the District's school facilities based upon the average employee per square foot of commercial/industrial development, and the School Facility cost calculated from those employees residing in the District; and

WHEREAS, the findings in the Fee Justification Report demonstrate that the estimated costs of providing School Facilities for students generated by new development will exceed the maximum amount of revenue which will be collected from School Fees levied pursuant to Education Code section 17620, *et seq.* and Government Code section 65995, *et seq.*; and

WHEREAS, the increased rates of the School Fees levied against new residential, commercial and industrial development will be used to finance or fund School Facilities necessary to accommodate students generated from new development, including but not limited to, potential acquisition of new school sites, construction of new permanent school facilities and central administrative support facilities, rehabilitation and refurbishment of existing facilities related to increased demand as necessary to maintain existing levels of service, to reimburse the District for expenditures previously made on School Facilities, and related miscellaneous purposes resulting from student enrollment growth caused by projected new development, including, without limitation, other statutory authorized purposes; and

WHEREAS, no city or county or the Department of Health Care Access and Information may issue a building permit for any new residential, commercial or industrial development within the District absent a certification of compliance by the owner/developer with the requirements regarding

payment of school facilities fees as set forth in Education Code section 17620, *et seq.*, and Government Code section 65995, *et seq.*

WHEREAS, the District: (a) has made available to the public ten (10) days prior to its public hearing, at the District's administrative office and on its website, the proposed Fee Justification Report and data indicating the estimated cost required to provide the School Facilities for which the increased rates of School Fees are levied and the revenue sources anticipated to provide the School Facilities as demonstrated in the Fee Justification Report; (b) published the notice of the hearing once at least ten (10) days prior to the hearing and a second publication five (5) days thereafter; (c) at least fourteen (14) days prior to this meeting, mailed to all interested parties who have requested in writing notice of the meeting on new or increased fees; and (d) held a duly noticed, regularly scheduled public hearing on this day, at which oral and written presentation was received regarding the Fee Justification Report and the proposed increase in rates of School Fees; and

WHEREAS, the appropriate land use jurisdictions will be notified of the increased School Fees levied by the District and will be requested to continue to work with the District to assure that the school facilities fee program benefits the residents and students of the community; and

WHEREAS, as to the School Fees, Education Code section 17621 provides that the adoption, increase or imposition of any fee, charge, dedication, or other requirement, pursuant to Education Code section 17620 shall not be subject to the California Environmental Quality Act, Division 13 (commencing with section 21000) of the Public Resources Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Lodi Unified School District as follows:

Section 1. That the foregoing recitals are true and incorporated herein.

Section 2. That, based on all available information, the Board has reviewed and confirmed that the Fee Justification Report, attached hereto as **Exhibit "A"** and incorporated herein by this reference, accurately reflects current information and justifies the increase to the rates of School Fees pursuant to this Resolution, and as such, the Board hereby adopts and approves the Fee Justification Report and findings made therein, which is incorporated herein by reference.

Section 3. That the Board hereby approves, adopts and increases the rates of School Fees as a condition of approval of new development projects within the boundaries of the District and imposes the School Fees on such development projects in the amounts identified below. Based on the foregoing, this Board hereby determines and approves:

- a. To levy a fee rate on any new or other residential development, as described in Education Code section 17620(a), occurring within the District, in the amount of **\$5.17** per square foot of assessable space as such space is defined in Government Code section 65995(b)(1).

- b. To levy a fee rate on categories of new commercial or industrial development, as described in Education Code section 17620(a), occurring within the boundaries of the District, in the amount of **\$0.84** per square foot of chargeable covered and enclosed space, as such space is defined in Government Code section 65995(b)(2).

Section 4. That in accordance with Government Code section 66001(a)(1), the Board finds that the purpose of the School Fees imposed upon residential and commercial/industrial construction is to fund the construction, reconstruction, rehabilitation, and refurbishment of School Facilities related to accommodate students generated by such new development upon which the School Fees are imposed.

Section 5. That in accordance with Government Code section 66001(a)(2), the Board finds that the School Fees imposed on residential construction and commercial/industrial construction (by category) will be used to finance the construction, reconstruction, rehabilitation, and refurbishment of School Facilities related to accommodate the students generated by such new development within the District and as described in the 2023 FMP, including 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 reporting.

Section 6. That in accordance with Government Code section 66001(a)(3), the Board finds that there is a roughly proportional, reasonable relationship (essential nexus) between the use of the School Fees and the residential and new commercial/industrial construction within the District because the School Fees imposed on such construction by this Resolution will be used to fund School Facilities which will be used to serve the students generated by such new construction.

Section 7. That in accordance with Government Code section 66001(a)(4), the Board finds that there is a roughly proportional, reasonable relationship (essential nexus) between the residential and commercial/industrial construction upon which the School Fees are imposed and the need for School Facilities in the District because new students will be generated from such new construction within the District and the District will not have student capacity in the existing School Facilities to accommodate these future students.

Section 8. That in accordance with Government Code section 66001(b), the Board finds that there is a roughly proportional, reasonable relationship (essential nexus) between the amount of the School Fees imposed on residential construction and commercial/industrial construction (by category) as set forth in this Resolution and the cost of providing the School Facilities required to serve the students generated by such

new construction within the District; and that the amount of the School Fees imposed does not exceed the cost of providing the required School Facilities.

Section 9. That the collection of the School 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.).

Section 10. That in accordance with Government Code sections 66001(c) and 66006(a), the Board finds that a separate capital facilities account or fund ("Fund") of the District has been created or is authorized to be created for all monies received by the District (including interest income earned thereon) for the deposit of School Fees imposed on construction within the District and that said Fund at all times have been separately maintained in a manner to avoid commingling of the School Fees with other revenues and funds of the District, except for temporary investments (as applicable).

Section 11. That the monies of the separate Fund, consisting of the proceeds of School Fees, have been imposed for the purposes of constructing, reconstructing rehabilitating, and refurbishing those School Facilities necessitated by residential and/or commercial/industrial construction, and other related purposes as authorized by law, and thus, these monies may be expended for all those purposes permitted by applicable law.

Section 12. That in accordance with Education Code section 17620(a)(5), the School Fees may also be expended by the District for the costs of performing any study or otherwise making the findings and determinations required under subdivisions (a), (b), and (d) of Section 66001 of the Government Code and, in addition, the District may also retain, as appropriate, an amount not to exceed in any fiscal year, three percent (3%) of the fees collected in that fiscal year for reimbursement of the administrative costs incurred by the District in collecting the School Fees.

Section 13. That the Board hereby establishes a process that permits the party against whom the commercial/industrial Fees are imposed, the opportunity for a hearing to appeal that imposition of commercial/industrial Fees for commercial/industrial construction as required by Education Code section 17621(e)(2). The appeal process shall continue to be as follows:

- a. Within ten (10) calendar days of being notified, in writing, (by personal delivery or deposit in the U.S. Mail) of the commercial/industrial fees to be imposed or paying the commercial/industrial fees, pursuant to Education Code section 17620, a party shall file a written request for a hearing regarding the imposition of commercial/industrial fees. The party shall state in the written request the legal and factual grounds for opposing the imposition of commercial/industrial fees and said written request shall be served by personal delivery or certified or registered mail to the Superintendent with a copy to the Chief Business Official.

- b. The possible grounds for that appeal include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the commercial/industrial fees are to be imposed, or that the employee or pupil generation factors utilized under the applicable category are inaccurate as applied to the project.
- c. Within ten (10) calendar days of receipt of the written request for a hearing regarding the imposition of commercial/industrial fees, the Superintendent, or designee, shall give notice in writing of the date, place and time of the hearing to the party appealing the imposition of commercial/industrial fees. The Superintendent, or designee, shall schedule and conduct said hearing within thirty (30) calendar days of receipt of the written request. The Superintendent, or designee, shall render a written decision within ten (10) days following the hearing on the party's appeal and serve it by certified or registered mail to the last known address of the party.
- d. The party against whom the commercial/industrial fees are imposed may appeal the Superintendent or designee's decision to the Board.
- e. The party appealing the Superintendent's or designee's decision shall state in the written appeal the factual and legal grounds for opposing the imposition of the commercial/industrial fees and said written appeal shall be served by personal delivery or certified or registered mail to the Superintendent.
- f. The possible grounds for that appeal to the Board include, but are not limited to, the inaccuracy of including the project within the category pursuant to which the commercial/industrial fees are to be imposed, or that the employee generation or pupil generation factors utilized under the applicable category are inaccurate as applied to the project.
- g. Within ten (10) calendar days of receipt of the written request for a hearing regarding the imposition of commercial/industrial fees, the Superintendent, or designee, shall give notice in writing of the date, place and time of the hearing to the party appealing the imposition of commercial/industrial fees. The Board shall schedule and conduct said hearing at the next regular meeting of the Board, provided that the party is given notice at least five (5) working days prior to the regular meeting of the Board. The Board shall render a written decision within ten (10) days following the hearing on the party's appeal and serve the decision by certified or registered mail to the last known address of the party.
- h. The party appealing the imposition of the commercial/industrial fees shall bear the burden of establishing to the Board that the commercial/industrial fees are improper.

Section 14. That, in accordance with Education Code sections 17620(d) and 17621(c), District staff is hereby instructed to transmit copies of this Resolution, accompanied by all

relevant supporting documentation including the Fee Justification Report and a map of the boundary areas of the District subject to the School Fees, to all appropriate land use jurisdictions issuing building permits within the District, including the California Department of Healthcare Access and Information (HCAI), informing each of them of the District's adopted School Fees for development projects.

Section 15. That a certificate of compliance shall be issued for each development project for which there is compliance with the requirement for payment of the School Fees in the fee rate amounts specified by this Resolution. In the event a certificate of compliance is issued for the payment of School Fees for a development project, it is later determined that the statement or other representation made by an authorized party concerning the development project as to square footage is untrue or in the event the zoning or land use is declared invalid, then such certificate of compliance shall automatically terminate, and the appropriate official of the land use jurisdiction shall be so notified.

Section 16. That pursuant to Education Code section 17621(a), the increase in the rates of District's School Fees pursuant to this Resolution will become effective sixty (60) days from the date of this Resolution (i.e., **August 2, 2025**), unless the Board adopts a separate resolution increasing the fee rates immediately on an urgency basis. The Superintendent or designee shall continue imposing fees at the rate authorized by the Board and currently in effect until the School Fees pursuant to this Resolution become effective.

Section 17. That no statement or provision set forth in this Resolution, or referred to herein shall be construed to repeal any preexisting fee rate or mitigation amount previously imposed by the District on any residential or nonresidential construction.

Section 18. That, if any portion or provision of this Resolution is held invalid, the remainder thereof is intended to be and shall remain valid.

APPROVED, PASSED AND ADOPTED this 3rd day of June 2025 by the following vote of the Board of Education of the Lodi Unified School District:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Clerk of the Board of Education

President of the Board of Education