



Developer Fee Justification Study

Lancaster School District

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EXECUTIVE SUMMARY

The Lancaster School District (“LSD” or “the District”) serves the central portion of the City of Lancaster, California, as well as a small portion of the City of Palmdale and some surrounding areas of unincorporated Los Angeles County. The District serves a total of 13,555 TK-8th grade students.

In January 2026, the State Allocation Board’s biennial inflation adjustment changed the fee to \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction. The Lancaster School District collects 74% of these fees, per its proportional split with its high school district. The following Developer Fee Justification Study demonstrates the District is justified in collecting its 74% proportion of the statutory Level I residential and statutory commercial/industrial fees on future development based on the following analysis:

- The District’s total enrollment at its school sites (not including independent charter schools) in 2025-26 was 13,555 students;
- The District’s total enrollment (not including independent charter school enrollment) is projected to be 13,789 in 2030-31;
- Based on State loading standards, the District has a classroom capacity of 13,036 students;
- The justification is based on this study’s findings that the District currently exceeds its capacity and will continue to do so through the 2030-31 school year;
- The City of Lancaster and Los Angeles County planning departments collectively estimate a total of 2,114 new residential units to be constructed over the next twenty years. These units will be a mix of single-family (1,384 units), multi-family (730 units). The City of Palmdale estimates no units to be built within the boundaries of the district over the next twenty years;
- It is estimated that the weighted average square footage of new homes will be 1,497 square feet;
- Student generation rates, based on an analysis of District enrollments and housing units, indicate each new residence will generate students at a rate of 0.337 TK-8th grade students per unit;
- The 2,114 new units are projected to generate 712 TK-8th grade students for the District to house;
- Each square foot of residential construction will create a school facility cost of at least \$10.26 per square foot of new residential construction.
- Each square foot of commercial/industrial construction will create a school facilities cost ranging from \$0.19 to \$8.10 per square foot of new commercial/industrial construction.
- The District is justified to adopt its proportional share (74%) of statutory Level I Developer Fees, currently \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction, which equals a District fee of \$3.98 per square foot for residential construction and \$0.64 per square foot of commercial/industrial construction, except for mini-storage construction, for which the justified fee is \$0.19 per square foot.

DEVELOPER FEES: BACKGROUND

School districts are continually evaluating the condition of their capital facilities and identifying whether construction of new facilities and/or improvements to existing facilities are necessary to sufficiently house their student body. Districts may use various sources of funds for these capital facility projects, including Developer Fees, State program funds, redevelopment funds, certificates of participation, sale of capital assets, and mitigation measures. In September 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986), which granted school district governing boards the authority to impose developer fees. This authority is codified in Education Code Section 17620, et seq. which states in part "...the governing board of any school district is authorized to levy a fee, charge, dedication or other requirement against any construction within the boundaries of the district for the purpose of funding for the construction or reconstruction of school facilities."

School districts were provided a mechanism to assist in funding with the adoption of the Mitigation Fee Act (Government Code Section 66000 et seq.). This act governs the imposition of fees by a district as a condition of approval of a development project. In order to impose such a fee, a reasonable connection must exist between the new development and the construction and/or improvement of school facilities for which the fees are to be assessed.

Level I fees (also known as statutory fees) are adjusted every two years according to the inflation rate for Class B construction as determined by the State Allocation Board. With the passage of SB50 in 1998, a cap was placed on the amount that could be charged under the Level I fee calculation. The law allowed for adjustments of the cap as noted in Government Code Section 65995(b)(3), which specifies in part that "...fees shall be increased every two years, according to the adjustment for inflation set forth in the statewide cost index for Class B Construction, as determined by the State Allocation Board at its January meeting, which increase shall be effective as of the date of that meeting."

Level II developer fees are outlined in Government Code Section 65995.5 and allow a school district to impose a higher fee on residential construction only if certain conditions can be met and a study conducted to provide justification for the higher residential fee per square foot.

As of January 2026, Government Code Section 65995 authorizes school districts to collect Developer Fees on future development of no more than \$5.38 per square foot for residential construction and \$0.87 for commercial/industrial construction (Level I fees).

Over the last several years, the Legislature has introduced legislation governing the addition of living areas attached or detached from the primary single-family or multifamily dwelling unit (generally referred to as Accessory Dwelling Units (ADUs), and Junior Accessory Dwelling Units (JADUs)). Whether these types of dwelling units are called casitas, granny flats, in-law units, accessory units, or converted living space, these constructed areas are intended to provide an area for living and sleeping – whether the facilities and provisions for living, sleeping, eating, cooking, and sanitation are within that living space or within (or adjacent to) the attached single-family or multifamily dwelling unit. The construction of ADUs and JADUs over 500 square feet qualifies as residential development that generates students, and the District will levy the appropriate fee rate for these types of projects when permissible to the extent allowed by law.

The content of this Study will show that the Lancaster School District is justified in levying the statutory maximum Level I Developer Fee.

The Lancaster School District splits collected developer fees with Antelope Valley High School District, retaining 74% of collected fees. Therefore, the maximum statutory fees LSD can collect are residential fees at a rate of \$3.98 per square foot and commercial/industrial fees at a rate of \$0.64 per square foot.

LEGISLATIVE HISTORY

State legislation, specifically AB 2926 and AB 1600, provides guidelines, procedures, and restrictions on the levy of School Fees for school facilities. Certain provisions of this legislation and history are summarized below:

AB 2926

AB 2926 was enacted by the State in 1986. Among other things, AB 2926 added various sections to the Government Code which authorize school districts to levy School Fees on new residential and commercial/industrial developments in order to pay for school facilities. In addition, AB 2926 provides for the following:

1. No city or county can issue a building permit for a development project unless such School Fees have been paid.
2. School Fees for commercial/industrial development must be supported by the finding that such School Fees "are reasonably related and limited to the needs for schools caused by the development."
3. School Fees for 1987 were limited to \$1.50 per square foot on new residential construction and \$0.25 per square foot for new commercial/industrial construction.
4. Every year, School Fees are subject to annual increases based on the Statewide cost index for Class B construction, as determined by the SAB at its January meeting (This provision was changed to every other year by AB181).

The provisions of AB 2926 have since been expanded and revised by AB 1600.

AB 1600

AB 1600, which created Sections 66000 et seq. of the Government Code, was enacted by the State in 1987. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing or imposing a fee as a condition of approval for a development project.

1. Determine the purpose of the fee.
2. Identify the facilities to which the fee will be put.
3. Determine that there is a reasonable relationship between the need for public facilities and the type of development on which a fee is imposed.
4. Determine that there is a reasonable relationship between the amount of the fee and the public facility or portion of the public facility attributable to the development on which the fee is imposed.
5. Provide an annual accounting of any portion of the fee remaining unexpended, whether committed or uncommitted, in the School District's accounts five or more years after it was collected.

In other words, AB 1600 limits the ability of a school district to levy School Fees unless (i) there is a need for the School Fee revenues generated and (ii) there is a nexus or relationship between the need for School

Fee revenues and the type of development project on which the School Fee is imposed. (The requirements of AB 1600 were clarified with the passage in 2006 of AB 2751, which codifies the findings of Shapell Industries vs. Milpitas Unified School District.) The Study will provide information necessary to establish whether such a nexus exists between School Fees and residential development.

AB 181

AB 181, enacted by the State in 1989, made significant changes in several State Codes, including Sections 53080 et seq. of the Government Code which was re-codified as Sections 17620 et seq. of the Education Code on January 1, 1998. Changes in Section 53080 included additional requirements and procedures for imposing School Fees and other conditions on new development. Specifically, AB 181 imposes more stringent nexus requirements on school districts that wish to levy School Fees on commercial/industrial development ("CID"), as follows:

1. In order to levy a School Fee on CID, a formal study must be conducted to determine the impact of "the increased number of employees anticipated to result" from new CID on the "cost of providing school facilities within the School District".
2. Only that portion of the School Fee justified by the "nexus findings" contained in this study may be levied. Nexus findings must be made on an individual project basis or on the basis of categories of CID and must "utilize employee generation estimates that are based on commercial/industrial factors within the school district."
3. Categories to be evaluated may include, but are not limited to, office, retail, transportation, communications and utilities, light industrial, heavy industrial, research and development, and warehouse uses.
4. Starting in 1990, maximum School Fees for residential and CID will be subject to increases every two (2) years rather than annually.
5. An appeals procedure shall be established whereby the levy of School Fees on a commercial/industrial project may be appealed to the governing board of a school district. Grounds for an appeal must include, but are not limited to, improper project classification by commercial/industrial category, or the application of improper or inaccurate employee or student generation factors to the project.

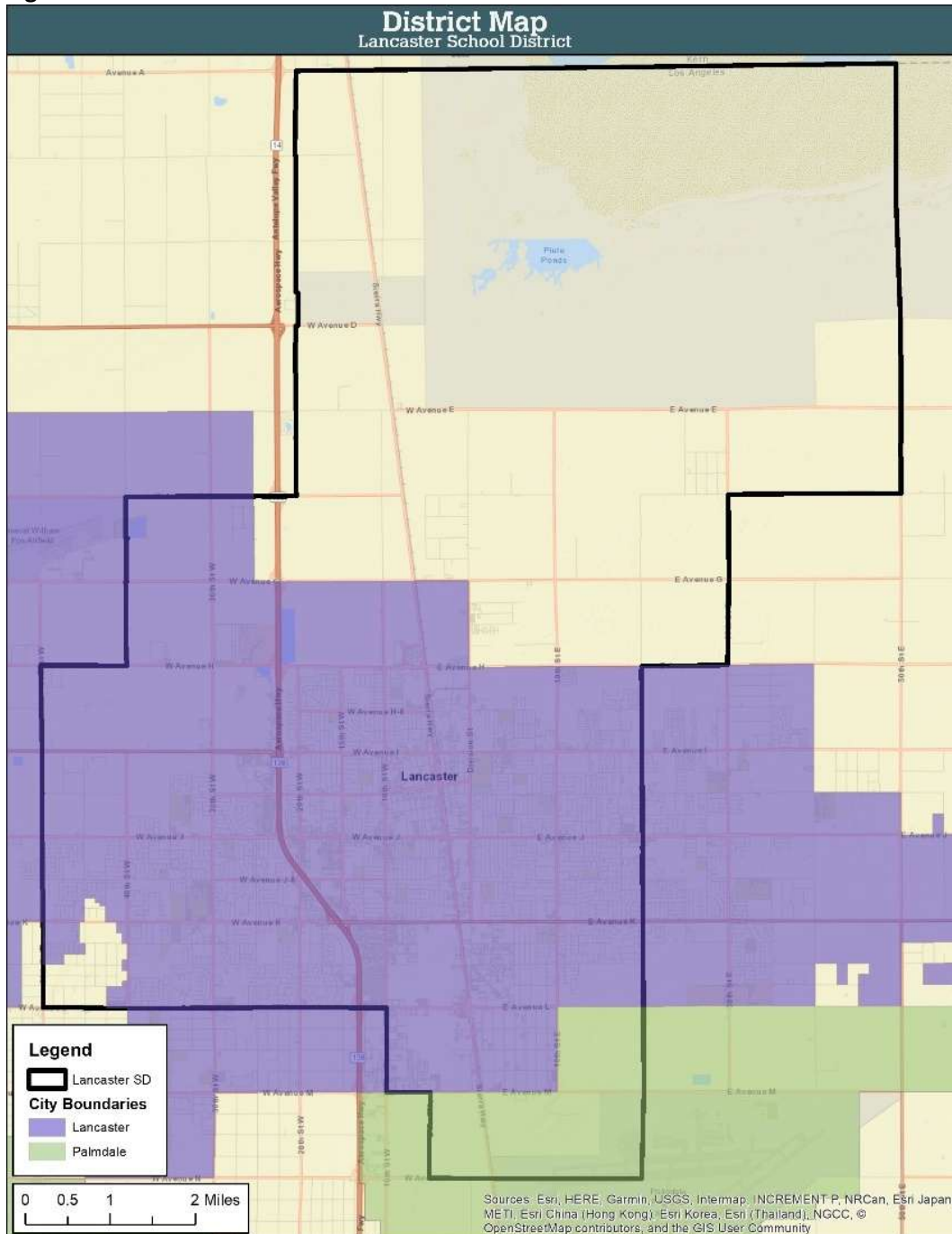
In summary, AB 181 establishes additional requirements which must be satisfied by school districts prior to their levying School Fees on CID.

DEVELOPER FEE JUSTIFICATION: RESIDENTIAL DEVELOPMENT

Lancaster School District

The Lancaster School District serves the central portion of the City of Lancaster, California, as well as a small portion of the City of Palmdale and some surrounding areas of unincorporated Los Angeles County. The District serves TK-8th grade students. Figure 1 provides the District boundary and the areas of each of these jurisdictions served by the District.

Figure 1. Lancaster School District Boundaries



Projected Residential Development

Residential development generates students for the District to house in facilities, new and/or renovated. Therefore, it is imperative to research residential development to project growth and associated student generation within the District. According to the City of Lancaster, 1,372 single-family units and 730 multi-family units may be constructed within the District over the next 20 years. Los Angeles County expects 12 single-family units to be built in the District over the next 20 years. The City of Palmdale confirmed it did not anticipate residential development in the next 20 years in the portion of the school district under its jurisdiction. Therefore, it is estimated that a total of 2,114 may be built in the District over the next 20 years.

To calculate a weighted average square footage, the average square footage for each type of residential development, as supplied by the City of Lancaster, is multiplied by the number of units expected to be constructed. This provides total square footage, which is divided by the total number of units to produce the weighted average square footage for all units. These calculations are shown in Table 1.

Table 1. Residential Development: Total Units and Weighted Average Square Footage

Housing Type	Housing Units	Average Square Footage	Total Square Footage	Weighted Square Footage
Single-Family	1,384	1,759	2,434,456	
Multi-Family	730	1,000	730,000	
Total	2,114		3,164,456	1,497

Student Generation Rates

The average number of students generated by each housing unit provides a student generation rate or “yield factor”. The number of students generated from new housing units within the District’s boundaries was assessed for the District by comparing the total number of housing units within the District provided by the 2024 American Community Survey (ACS) to the 2025-26 LSD student list to calculate the number of students within the District, for a student generation rate of 0.337. This calculation is shown in Table 2. This student generation rate can then be applied to the projected housing units to assist in determining the new students entering the District.

Table 2. Student Generation Rates and Students Generated

Total Housing Units ACS 2024	2025-26 Students	Student Generation Rate	Projected Units Within the District	Expected Students Generated
40,174	13,555	0.337	2,114	712

Facility Capacity and Enrollments

The District's capacity calculation utilizes State loading standards of 25 pupils per TK-6th grade classroom and 27 pupils per 7th-8th grade classroom. The District's existing capacity was evaluated and compared to student enrollment to determine if available capacity exists to house students generated by new residential and commercial development.

Based on the District's SAB Form 50-02 as approved by the State Allocation Board (SAB) in 1999, and as modified to include additional classrooms the District has constructed since that time, the District's school facilities have capacity to accommodate 10,195 TK-6th grade students and 2,841 7th-8th grade students. A detailed summary of the District's recalculated capacity is included as Appendix A.

The District's 2025-26 enrollment is 13,555 students. To accurately assess the suitability of the District's existing capacity to accommodate future enrollments, an enrollment projection was prepared. This projection was prepared using standard "cohort survival" methodology based on an average of the last four years of CALPADS enrollment data. This method calculates future District enrollment growth based on an average of historical enrollment changes as cohorts advance from grade to grade each year. The enrollment projection does not include students generated from new residential development.

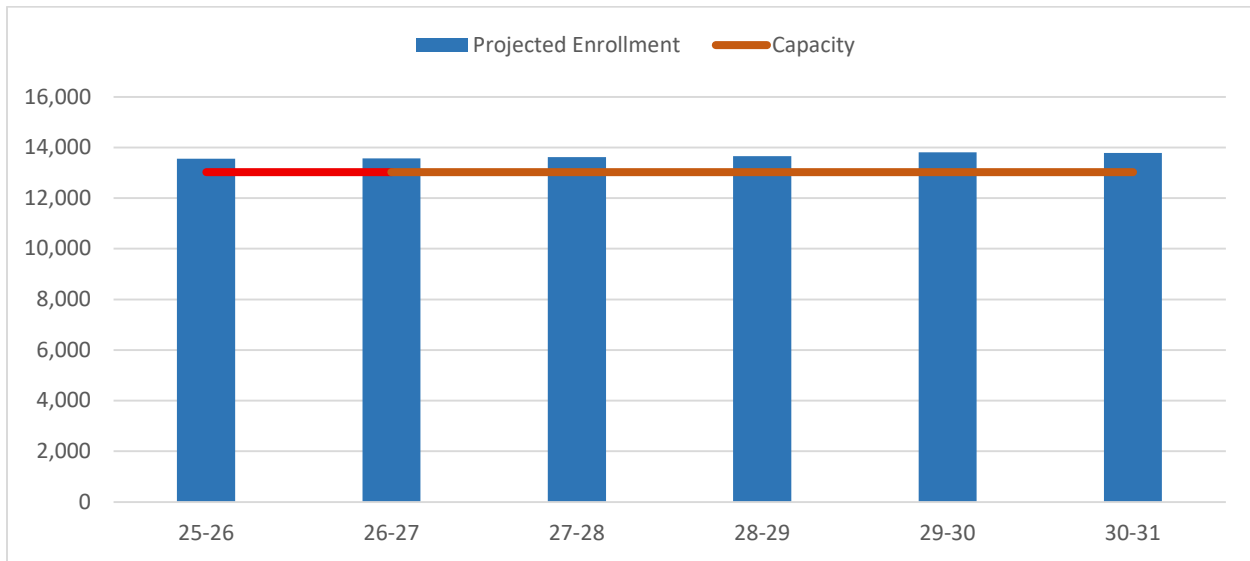
Table 3 outlines the capacity vs. the current and projected enrollments, noting unused capacity at the end of the five-year projection period.

Table 3. District Capacities and Enrollments

School Level	Capacity	2025-26 Enrollments	Projected 2030-31 Enrollments	Unused Capacity
TK-6 th Grade	10,195	10,648	10,930	0
7 th -8 th Grade	2,841	2,907	2,859	0
Total	13,036	13,555	13,789	0

As demonstrated by Table 3, the Lancaster School District does not have available capacity to house any students generated by projected new residential development. The District's current enrollment is 13,555 with a capacity of 13,036. The District currently exceeds its capacity by 519 pupils and will continue to do so through the 2030-31 school year when the District will exceed its capacity by 753 students at an enrollment of 13,789 (Figure 2).

Figure 2. Enrollment Projection Compared to Facility Capacity



Cost per Student

The weighted cost per student to construct new school facilities within the Lancaster School District is \$45,609 as shown in Table 4. Construction costs were provided by TELACU Construction Management based on records of recent new construction school projects in the Southern California region (Appendix B). These costs are based on permanent construction and do not include land costs, as the District currently owns sites which are suitable for the construction of school facilities. The costs were based on regional projects throughout urban and suburban school districts in Southern California who completed projects in 2024 and 2025. Specifically, the projects referenced were to add classrooms to existing school sites, as this is the scope of work LSD would most likely employ to house students who will be generated by future residential development. Escalation from the baseline years was determined by referencing ENR regional construction cost indices to determine an appropriate annual escalation factor to be applied to known costs from 2024 and 2025. It should be noted that these estimated construction costs are only escalated through the current year, and that future construction will likely be more expensive, making this a conservative estimate for the purpose of justifying the implementation of developer fees.

Table 4. Cost per Student for New Construction

Grade Level	New Construction Cost per Student
TK-6 th	\$46,295
7-8 th	\$42,865
Weighted Average $((\\$46,295*8) + (\\$42,865*2))/10$	\$45,609

Residential Fee Calculation

To show a reasonable relationship exists between the construction of new housing units and the need for additional school facilities, it will be shown that each square foot of new assessable residential space will create a school facility cost impact on the District.

As shown, the District does not have available capacity to house new students generated from development. New students generated will not only create a need for new classrooms but will also create a need to extend the useful life of existing classrooms and ancillary spaces. As District facilities age, they become incompatible with the evolving pace of educational technology, changing school security standards, and fall into disrepair. The District needs to perform significant construction and reconstruction to adequately serve students in the future and bring these facilities up to an adopted level of service as identified in Government Code Section 66001(g).

Lancaster School District's long-term plan is to provide future students with permanent school facilities, constructed as stand-alone permanent school structures or permanent additions to existing structures. The District's short-term plan is to house projected students in portable facilities or modernize existing spaces to a level of service adequate for 21st-Century education. Providing these up-to-date classrooms, labs, and learning technology, as well as increased security is an essential component of preparing students to succeed in a competitive economy and of being able to maintain the equivalent existing level of service for the next 20 years.

To calculate the facility needs generated by students from new development to justify the collection of a Level I Developer Fee, the Developer Fee Justification Study must correlate:

1. The total amount of projected new housing units expected to be built within the District;
2. The approximate number of students that will be generated by the new housing units, and;
3. The estimated cost to provide the necessary school facilities for that number of new students.

The total amount of new housing units projected to be built within the District is 2,114 units. These units, based on the student generation rate, will generate approximately 712 new students, all of whom will be unhoused based on projected enrollment totals and available capacity. The cost to house 712 students in permanent facilities, not including site acquisition, is \$32,473,608 (Unhoused Students x Cost Per Student). As outlined in Table 1, the total square footage projected to be constructed is 3,164,456. The residential fee is generated by dividing the total cost to house students in permanent facilities by the total projected square footage, as shown in Table 5.

Table 5. Residential Fee Calculation

Total Costs	Total Square Footage	Residential Fee
\$32,473,608	3,164,456	\$10.26

Based on the residential fee calculation, the Lancaster School District is justified in collecting residential developer fees at a rate (\$10.26) that exceeds the proportion of the current statutory Level I fee (\$5.38) it retains in its split agreement with its high school district (74%, or \$3.98). Therefore, the District is justified to collect its proportional share of \$3.98, (74%) of the full amount of the statutory fee per square foot of new residential construction.

DEVELOPER FEE JUSTIFICATION: COMMERCIAL/INDUSTRIAL PROJECTS

California Assembly Bill 181 provides that a district “must determine the impact of the increased number of employees anticipated to result from commercial/industrial development upon the cost of providing school facilities within the District. For the purposes of making this determination, the study shall utilize employee generation estimates that are based on commercial and industrial factors within the District, as calculated on either an individual project or categorical basis”. However, Assembly Bill 530 modified the requirements of AB 181 by allowing the use of a set of statewide employee generation factors. These factors are identified in the San Diego Association of Governments report, “San Diego Traffic Generators”. This study has become the standard in the industry for the calculation of the commercial/industrial fees.

Senior Housing

Certain types of housing dedicated for occupancy by senior citizens may not be subject to the full residential fee because it would not house student age residents. Pursuant to state law, it would generally be subject to the maximum fee for commercial development projects, based on its indirect contribution to student generation. Individual projects applying for such special treatment should be evaluated by the District on a case-by-case basis to ensure that the units will be permanently dedicated for use by seniors.

Commercial/Industrial Development Fee Calculations

The construction of commercial/industrial buildings within a community generates new employees and, therefore, new residents for a school district. The link between creating new jobs and student enrollment has been acknowledged by the State Allocation Board and in statute. The Legislature has also determined that if there is more impact than can be mitigated by residential fees, and some of this impact is caused by commercial/industrial development, then commercial/industrial development can also be charged fees. As demonstrated, the District is justified to collect a higher residential fee than the current statutory level.

To determine the impact of commercial/industrial development, several factors must be analyzed to calculate the modernization cost per square foot of this development. Assembly Bill 530 allows for the use of state-wide employee generation factors, specifically those derived from a report entitled San Diego Traffic Generators published by the San Diego Association of Governments in 1990. This report demonstrates the number of employees generated per square foot of commercial/industrial development, by category. Table 6 displays these categories and the number of employees generated for each square foot of space. An average employees/square foot value is then determined for LSD based on these categories.

Table 6. Commercial/Industrial Employee Generation Factors

Development Category	Employees/Square Foot
Agriculture	0.00031
Banks	0.00282
Commercial Offices	0.00478
Community Shopping Centers	0.00109
Corporate Offices	0.00268
Industrial Parks	0.00168
Industrial/Business Parks	0.00221
Lodging	0.00155
Medical Offices	0.00427
Neighborhood Shopping Centers	0.00362
Scientific R&D	0.00304
Average	0.00255

Additional data is used to determine the base school facility impact incurred to the District by commercial/industrial development. As shown in Table 7, the calculations also consider the percent of employees in the District who also live in the District, the number of households per employee, the students generated per household, and the facilities cost for each student. Data for percent of employees living in the District and households per employee are sourced from The United States Census Bureau's 2024 American Community Survey. The average students generated per household was previously shown in Table 2, while the facilities cost per student was shown in Table 4.

Table 7. Commercial/Industrial Base Cost per Square Foot (Except Mini-Storage)

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Cost per Student	Commercial/Industrial Cost per Square Foot
0.00255	44%	0.767	0.337	\$45,609	\$13.23

It is important to note the mini-storage category of commercial development as an exception to the rates in Table 6. This type of development has a much lower impact than all other categories of commercial/industrial development, with only 0.00006 employees generated per square foot. Table 8 demonstrates the base cost per square foot for mini-storage development only.

Table 8. Mini-Storage Base Cost per Square Foot

Employees/ Square Foot	% Employees Living in District	Households per Employee	TK-8 Students per Household	Cost per Student	Commercial/Industrial Cost per Square Foot
0.00006	44%	0.767	0.337	\$45,609	\$0.31

Having calculated the base costs per square foot for commercial/industrial development, a residential fee offset must be applied to account for the residential fee revenues the District will collect from homes associated with the employees generated by new commercial/industrial development. It is important to note that while this offset assumes all homes associated with new employees are new homes, in reality some of the new employees will live in existing homes. For the purpose of calculating the residential fee offset, it is estimated the District will collect its full proportional share of 74% of the statutory residential fee of \$5.38, which is \$3.98 per square foot. The weighted average square footage for a new home in the District was previously shown in Table 1. Table 9 shows the calculations for the residential fee offset for all commercial/industrial development except mini-storage, while Table 10 shows the calculation for mini-storage development.

Table 9. Commercial/Industrial Residential Fee Offset (Except Mini-Storage)

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00255	44%	0.767	1,497	\$3.98	\$5.13

Table 10. Mini-Storage Residential Fee Offset

Employees/Square Foot	% Employees Living in District	Households per Employee	Average Square Feet/ Household	Revenue per sq. ft. from Residential Fee	Residential Offset
0.00006	44%	0.767	1,497	\$3.98	\$0.12

By subtracting the residential fee offset from the base commercial/industrial costs per square foot, the final school facility cost, which takes into account linked residential revenue, is determined. Table 11 shows the final commercial/industrial costs per square foot.

Table 11. Commercial/Industrial Final Costs per Square Foot

Development Type	Base Cost per Square Foot	Residential Offset	Final Cost per Square Foot
Mini-Storage	\$0.31	\$0.12	\$0.19
All Other Commercial/Industrial	\$13.23	\$5.13	\$8.10

The Lancaster School District is therefore justified in collecting commercial/industrial developer fees at a rate of \$8.10 that exceeds the proportion of the current statutory Level I fee (\$0.87) it shares with its high school district (74%, or \$0.64), except for mini-storage development, for which the District is justified to collect a fee of \$0.19. Therefore, the District is justified to collect its proportional share of \$0.64, (74%) of the full amount of the statutory fee per square foot of new commercial/industrial construction, with the exception of mini-storage development.

SUMMARY AND FINDINGS

This study finds that the Lancaster School District is justified in the collection of the statutory developer fees per square foot of both residential and commercial/industrial construction. The District should move forward with adopting the new fees. This requires the District to follow the appropriate notices for a public hearing and meeting all noticing requirements.

This justification is based on the following conclusions of the study:

- The District's projected enrollment exceeds its available capacity to house its students, so each student generated will create a cost to the District to provide new school facilities;
 - Facilities costs are estimated to be \$45,609 per student;
- Residential development will generate 0.337 TK-8th grade students per unit for the District to house;
 - The District's cost for students generated from residential development is \$10.26 per square foot;
- Commercial/Industrial calculations also indicate a cost to house pupils that would be generated from local housing as a result of residents moving into the District;
 - This facilities cost for students generated from commercial/residential development is \$8.10 per square foot, except for mini-storage development which is \$0.19 per square foot;
- The District meets the criteria to impose the statutory developer fee.

Due to these factors, the District should proceed with adopting its proportional share (74%) of the statutory Level I Developer Fees, currently \$5.38 per square foot for residential construction and \$0.87 per square foot for commercial/industrial construction. Therefore, the District should collect fees of \$3.98 for each square foot of residential development and \$0.64 for each square foot of commercial/industrial development, except for mini-storage development, for which fees of \$0.19 per square foot should be collected.

ADMINISTRATION OF THE FEES

Administrative Requirements

The District must maintain a special account for the developer fees collected and any interest which accrues from the fees collected.

Reporting Requirements

Government Code sections 66006 and 66001 require, annually within 180 days of the end of each fiscal year, that the District make available to the public certain information and adopt prescribed findings relative to Developer Fees adopted pursuant to Education Code section 17620 and Government Code section 65995.

For the fifth fiscal year following the first deposit into the fund, and every five years thereafter, the District is required to make additional findings with respect to that portion of the fund remaining unexpended, whether committed or uncommitted.

This accounting will identify a description of the fee and its amount as well as a beginning and ending fund balance. Also, in the report will be the portion of the collected funds that have been expended, those remaining funds, and the purpose to which those have been and will be put to use. The report must also identify the approximate date upon which a school district anticipates receiving adequate revenue to complete any improvements required as a result of students generated from residential or commercial construction projects.

Government Code Section 66001 (a) (1): Purpose of Fees

The purpose of the fee is school facility construction and reconstruction to help the District continue to provide school facilities to all pupils, current and new, over the next 20 years by continuing to construct new facilities, and reconstruct or modernize the existing facilities to maintain the existing level of service for all students.

Government Code Section 66001 (a) (2): Use of Fees

The District's use of the fee will involve construction and/or reconstruction of school facilities and/or additional permanent facilities on existing school campuses, including but not limited to the types of projects included in this Study. In addition, the District may need to purchase or lease portable classrooms to use for interim housing while permanent facilities are being constructed. Revenue from fees collected on residential and commercial/industrial development may be used to pay for any of the following:

1. Design of School Facilities;
2. Purchase of land for School Facilities;
3. Construction or reconstruction of school facilities including both classroom and instructional spaces, and ancillary supporting facilities;
4. Testing and inspection of school sites and school buildings and permit and plan check fees;
5. Interim school facilities to house students generated by new development while permanent facilities are being constructed;
6. Legal and administrative costs associated with providing facilities to students generated by new development;
7. Administration of the collection of developer fees;

8. Miscellaneous purposes resulting from student enrollment growth caused by new residential development; and
9. Any other use permitted by law.

Government Code Section 66001 (a) (3): Reasonable Relationship between the Fee's Use and the Type of Development Project on which the Fee is Imposed

Future residential development will cause new families to move into the District and, consequently, generate additional students in the District. In order to continue providing facilities at the existing level of service for future students, the District will need to modernize and/or reconstruct facilities. The fee's use is therefore reasonably related to the type of project upon which it is imposed.

In addition, new commercial/industrial development will cause new workers to move into the District. Because these workers will have school-age children, the District will need to provide facilities for these students. The fee's use is reasonably related to the type of project upon which it is imposed.

Fees on Residential Reconstruction

Residential Reconstruction consists of voluntarily demolishing existing residential units and replacing them with new residential development. To the extent reconstruction increases the residential square footage beyond what was demolished, the increase in square footage is subject to the applicable developer fees as such construction is considered new residential development. As for the amount of square footage constructed that replaces only the previously constructed square footage the determination of the applicable fee, if any, is subject to a showing that the replacement square footage results in an increase in student enrollment and, therefore, an additional impact being placed on the School District to provide facilities for new student enrollment. Prior to the imposition of fees on Replacement Square Footage, the School District shall undertake an analysis on any future proposed projects(s) to examine the extent to which an increase in enrollment can be expected from Replacement Square Footage due to any differential in SGRs as identified in the Study for the applicable unit types between existing square footage and Replacement Square Footage. Any such fee that is calculated for the Replacement Square Footage shall not exceed the School Fee that is in effect at such time.

Reconstruction of Commercial/Industrial Square Footage

The voluntary demolition of existing commercial/industrial buildings and replacement with new residential development is a different category of Reconstruction. The School District will evaluate the impacts of Commercial/Industrial Reconstruction projects on a case-by-case basis and will make a determination of whether a fee credit is justified based on the nature of the project.

Government Code Section 66001 (a) (4): Reasonable Relationship Between the Need for the Public Facility and the Type of Project Upon Which the Fee is Imposed

As demonstrated in this Study, current District school facilities require renovation/reconstruction to continue providing the existing level of service for the next 20 years. Existing residents and residents from new development, both residential and commercial/industrial, should share in these costs. Therefore, the need for adequate school facilities is directly related to the new residential and commercial/industrial development projects upon which the fee is imposed.

Government Code Section 66001 (b): Reasonable Relationship Between the Amount of the Fee and the Cost of the Public Facility

This report demonstrates that the cost impact to the District per square foot of development, whether residential or commercial/industrial, is greater than the statutory developer fees to be collected.

REVENUE SOURCES/FUNDING FACILITIES

The District may also utilize other sources of funding for modernizing and/or reconstructing school facilities. These funding sources include:

State School Facility Program

Senate Bill 50 reformed the State School Building Lease-Purchase Program in August, 1998. The new program, entitled the School Facility Program, provides funding under a “grant” program once a school district establishes eligibility. Funding required from districts is a 50/50 match for new construction projects and a 60/40 match for modernization projects. While there is generally a shortfall between State funding and the District’s actual facility needs, the State monies aid in assisting the District in its facility needs.

General Obligation Bonds

School districts can, with the approval of 2/3 or 55% of voters, issue General Obligation Bonds which are paid out of property taxes.

The District most recently passed Measure LS in November 2024 in the amount of \$122.1 million “to retain teachers, provide safe, modern elementary and middle schools by fixing deteriorating roofs, plumbing, electrical, and infrastructure, and upgrading classrooms, science labs, and school facilities for student achievement in math, science, technology, arts, and engineering.” As of 2026 all these funds have been exhausted, encumbered on facility improvement projects, or scheduled for identified projects under Board approved project prioritization.

Parcel Taxes

Approval by 2/3 of the voters is required to impose taxes that are not based on the assessed value of individual parcels. The revenues from these taxes are usually minor. Parcel taxes are typically not used for capital outlay. Instead, revenue from such programs is generally used to fund curriculum, instructional enhancements, and other non-facility related expenditures.

Mello-Roos Community Facilities Districts

This alternative uses a tax on property owners within a defined area to pay long-term bonds issued for specific public improvements. Mello-Roos taxes require approval from 2/3 of the voters in an election.

RECOMMENDATIONS

This report recommends that the Lancaster School District levy its 74% share of the maximum statutory fee authorized by Government Code Section 65995 on new residential development, currently \$3.98 per square foot, (74% of \$5.38) per the District's fee sharing agreement with its corresponding high school district. This report also recommends that the Lancaster School District levy its 74% share of the maximum statutory fee authorized by Government Code Section 65995, currently \$0.64 per square foot, (74% of \$0.87) on all categories of commercial/industrial development (except mini-storage) per their fee split agreement with the local high school district.

These recommendations are based on the findings that residential and commercial/industrial development create a school facility cost for the Lancaster School District.

SOURCES

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San Diego Association of Governments. Traffic Generators, January 1990.

United States Census Bureau, 2024 American Community Survey.

APPENDIX A
RECALCULATED CAPACITY

Lancaster Elementary School District				
Recalculated Facility Capacity				
	K-6	7-8	OPSC Application #	DSA Number
SAB 50-02 Existing School Building Capacity (attached)	7,050	1,782		
Armagosa Creek Middle: Alteration to 2 (24'x40')C.R. Bldgs (Relocation from Stockpile)		37	50/64667-00-001	03-106404
West Wind Elementary: 12 Classrooms	675		50/64667-00-002	03-102936
Northrup Elementary. 28 Classrooms	700		50/64667-00-003	03-103480
Miller Elementary School (#17): 33 Classrooms	800		50/64667-00-005	03-107603
Discovery Elementary School (#23): 32 Classrooms	775		50/64667-00-006	03-107601
Endeavor Middle School (#18): 43 Classrooms	60	1,022	50/64667-00-007	03-107599
Endeavor Middle School: 2 Classrooms	50		50/64667-00-010	03-116476
Linda Verde Elementary: 6 Classrooms	85		50/64667-00-011	03-118205
Capacity Total	10,195	2,841		

APPENDIX B
COST PER STUDENT



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March 13, 2026

RE: Estimated Site Development Costs
Subject: Per-Student Costs at Lancaster School District

To Whom it May Concern,

We have reviewed our records of past and present projects that involve recent new school construction, within the Southern California region. Using a formula based on escalation from projects in previous years, our estimate for the Lancaster School District:

Elementary School - Add capacity to a given site per classroom:	\$1,157,343
Construction cost per student	\$ 46,295

Middle School - Add capacity to a given site per classroom:	\$1,157,343
Construction cost per student	\$ 42,865

These costs assume a reasonably flat site with access to utilities consistent with an urban/residential area. These costs exclude site acquisition. The above estimated costs are for the purposes of discussing State eligibility and developer fees, and are not intended for use in developing budgets for specific projects with unique conditions.

Thank you,

A handwritten signature in black ink, appearing to read "D.C.", with a stylized flourish at the end.

Daniel Clem
Vice President
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