

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

173



FROM: Executive Office

SUBMITTAL DATE:
September 2, 2009

SUBJECT: Development Mitigation Fee Payment Program

RECOMMENDED MOTION: Receive and file.

BACKGROUND: On April 28, 2009, Board item 3.4, the Board directed the Executive Office to work with the Western Riverside Council of Governments (WRCOG) staff to explore the development of a payment plan for development fees that would include the Transportation Uniform Mitigation Fee (TUMF).

Departmental Concurrence

On May 11, 2009, the WRCOG Executive Committee approved the implementation of a two year TUMF deferral program. The program requires a developer to secure a Letter of Credit equal to the full amount of the TUMF owed and allows the developer to pay their TUMF in monthly installments for up to two years with interest at a 5%. The deferral agreement entered into between WRCOG and the developer remains with the property in the event the property is sold within the 24 months of the agreement, thus insuring the TUMF obligation remains with the property and will be collected.

(CONTINUED)

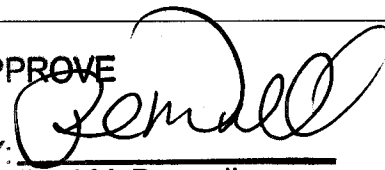

Dean Deines
Deputy County Executive Officer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE



BY: Paul McDonnell

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Development Mitigation Fee Payment Program

Page 2

While a Letter of Credit (LOC) would add an additional cost to the developer, for non-residential development the deferral would allow the developer to complete their project and, once in business, make the monthly payments from their business enterprise. A residual benefit would be the additional sales tax revenue and employment opportunities generated by the new business.

Given that the TUMF accounts for the majority of the development mitigation fees imposed on development, and provided the Board elects to allow deferring of the county Development Impact Fees (DIF), it would be most cost effective for developers that defer their TUMF to also to defer their county DIF obligation using the same letter of credit. WRCOG and County staff are working jointly to identify the necessary procedures and documents for such a program.

For those developers that prefer to defer their DIF but not their TUMF, the county could adopt the WRCOG deferral program for county use.

One area of concern that has surfaced is the possibility that fee waivers may trigger prevailing wage requirements for the developer. County Counsel is reviewing the appropriate government codes to determine the impact on a fee deferral program. A follow up report will be provided to the Board once this issue has been resolved.