

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

184



FROM: Transportation and Land Management Agency (TLMA)

SUBMITTAL DATE:
September 12, 2012

SUBJECT: Ordinance No. 659.11 Amending Ordinance No. 659, Establishing a Development Impact Fee Program to extend the Temporary Reduction of Development Impact Fees (DIF)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Waive the Board Policy No. A-67 requirement to obtain an order to initiate an ordinance amendment for Ordinance 659.11; and
2. Introduce and adopt, on successive weeks, Ordinance No. 659.11, an Ordinance of the County of Riverside Amending Ordinance No. 659; and
3. Find the adoption of Ordinance No. 659.11 is exempt from CEQA pursuant to CEQA Guidelines Section 15061 (b)(3) in that it can be seen with certainty there is no possibility the Ordinance may have a significant effect on the environment; and
4. Direct the Clerk of the Board to file a Notice of Exemption with the County Clerk for posting.

(Continued on attached page)

Juan C. Perez
Director, Transportation and Land Management Agency

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

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

C.E.O. RECOMMENDATION:

APPROVE

BY: Tina Grande
Tina Grande

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: Synthia M. Gunzel 9-17-12
DATE: _____
Departmental Concurrence
SYNTHIA M. GUNZEL

Department Recommendation: Consent Policy
Per Executive Office: Consent Policy

Prev. Agn. Ref.: 3.85-6/30/09;
3.80-7/14/09; 3.11 – 7/21/09; 3.85 –7/27/10;
3.64 – 8/10/10; 3.84 – 7/26/11; 3.83 9/13/11

District: All

Agenda Number:

3.49

The Honorable Board of Supervisors

RE: Ordinance No. 659.11 Amending Ordinance No. 659, Establishing a Development Impact Fee Program to extend the Temporary Reduction of Development Impact Fees (DIF)

DATE: September 12, 2012

PAGE 2 of 2

BACKGROUND:

On August 2009, the Board approved a temporary 50% reduction to the County's Development Impact Fee (DIF) Program in an effort to stimulate the local economy. On August 16, 2011, the Board of Supervisors approved an extension of the fifty (50%) temporary reduction of DIF fees imposed by Ordinance 659.10 that commenced on September 13, 2011 and is scheduled to end on October 13, 2012.

The Executive Office is working on a comprehensive update of the DIF Ordinance ("DIF Update"), which will be introduced to the Board in the next few months. This process will include further discussions with the development community and other stakeholders.

TLMA is recommending an extension of the temporary fifty percent (50%) reduction through June 30, 2013, or upon the effective date of Ordinance 659.12 (the DIF update), whichever occurs sooner. The potential additional extension would allow for current rates to remain unchanged (other than a lapse of a couple of weeks until this amended ordinance takes effect) until introduction of the update to the DIF program in the coming months. Continuing the reduction until the implementation of the new DIF fees would continue to encourage growth, aid customers in completing already budgeted projects and smooth the implementation process for staff.

Since inception, the temporary DIF reduction has resulted in an estimated potential revenue loss of approximately \$7,850,000 (Attachment A), assuming that all projects that developed would have continued to do so at the full fee, which is unknown. Continuing the fifty percent (50%) reduction for several months would not be expected to affect this number significantly due to the continued slow-down in the development industry.

TLMA has continued to monitor building permit trends: the numbers show a 14% decrease in the number of single family housing permits issued in FY 11/12, as compared to the same time period in FY 10/11. (Attachment B)

The adoption of Ordinance No. 659.11 is exempt from CEQA pursuant to CEQA Guidelines Section 15061 (b)(3) in that it can be seen with certainty there is no possibility the ordinance may have a significant effect on the environment. There is no specific development project connected with this ordinance amendment and it does not commit the County to any development. Accordingly, the County's approval of the amendment does not create a reasonably foreseeable physical change.

The ordinance has been approved as to form by County Counsel.

1 ORDINANCE NO. 659.11

2
3 AN ORDINANCE OF THE COUNTY OF RIVERSIDE AMENDING ORDINANCE NO. 659
4 ESTABLISHING A DEVELOPMENT IMPACT FEE PROGRAM

5 The Board of Supervisors of the County of Riverside ordains as follows:
6

7 Section 1. Section 15. of Ordinance No. 659 is amended to read as follows:

8 Section 15. TEMPORARY REDUCTION OF FEES. Pursuant to the fee
9 adjustment authority set forth in Section 14. of this ordinance and notwithstanding Section 7. or
10 any other provision of this ordinance, the DIF amounts in effect on the effective date of Ordinance
11 No. 659.11 shall be temporarily reduced by fifty percent (50%) for the period commencing on the
12 effective date of Ordinance No. 659.11 and ending on the effective date of Ordinance No. 659.12
13 or June 30, 2013, whichever occurs sooner.
14

15 a. Application. The temporary fee reduction described in this section shall
16 not apply to or affect fees owed under any development agreement or
17 other contractual arrangement in effect on or before the effective date of
18 Ordinance No. 659.11. If reduced fees are paid at the time application is
19 made for a building permit and either the application or the building
20 permit issued on the application expires, subsequent building permit
21 applications on the same parcel shall be subject to the full DIF amount,
22 unless the temporary fee reduction is still in effect at the time of the
23 subsequent application.
24

25 b. Effect. No provision of this section shall entitle any person who has
26 already paid Development Impact Fees to receive a refund, credit or
27 reimbursement of such payment. This ordinance does not create any
28

1 new Development Impact Fees or increase the amount of any existing
2 Development Impact Fees. This ordinance only effects a temporary
3 change in the County's existing Development Impact Fees.

4 c. Expiration. As of the effective date of Ordinance 659.12 or June 30,
5 2013 whichever occurs sooner, this section is repealed without further
6 action by the Board of Supervisors, unless the Board of Supervisors
7 repeals or modifies this section prior to that date. The repeal of this
8 section shall not affect the validity of actions taken or Development
9 Impact Fees paid under the authority of this section.”
10

11 Section 2. This ordinance shall take effect thirty (30) days after its adoption.

12 BOARD OF SUPERVISORS OF THE COUNTY
13 OF RIVERSIDE, STATE OF CALIFORNIA

14 By: _____
15 Chairman

16 ATTEST:

17 CLERK OF THE BOARD:

18 By: _____
19 Deputy

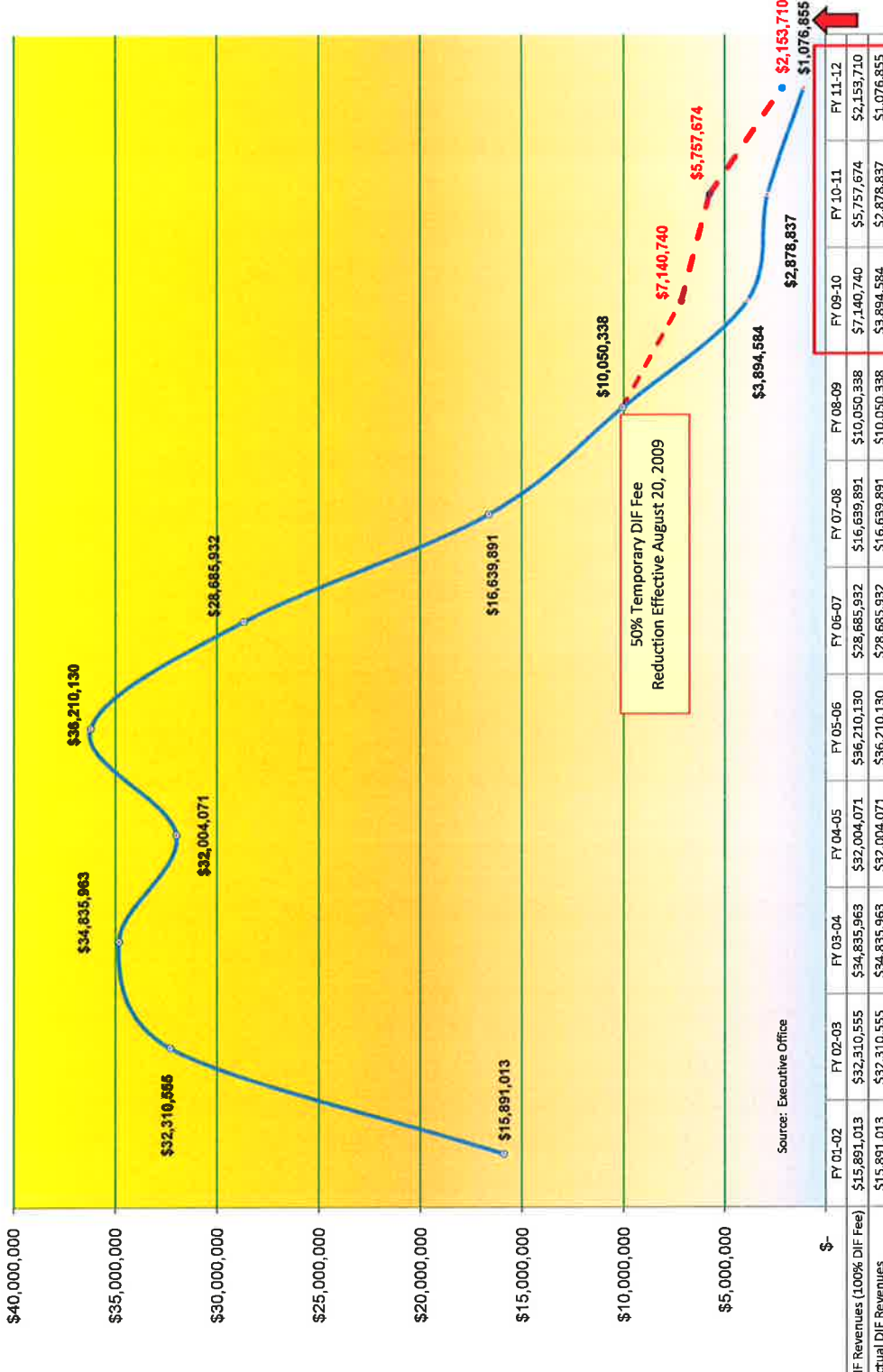
20 (SEAL)

21
22
23 APPROVED AS TO FORM:
24 September 17, 2012

25 By: Synthia M. Gunzel
26 Deputy County Counsel
27 **SYNTHIA M. GUNZEL**
28

Attachment A

County of Riverside DIF Revenues from New Development \$221.7 M Over 11 Years



50% Temporary DIF Fee Reduction Effective August 20, 2009

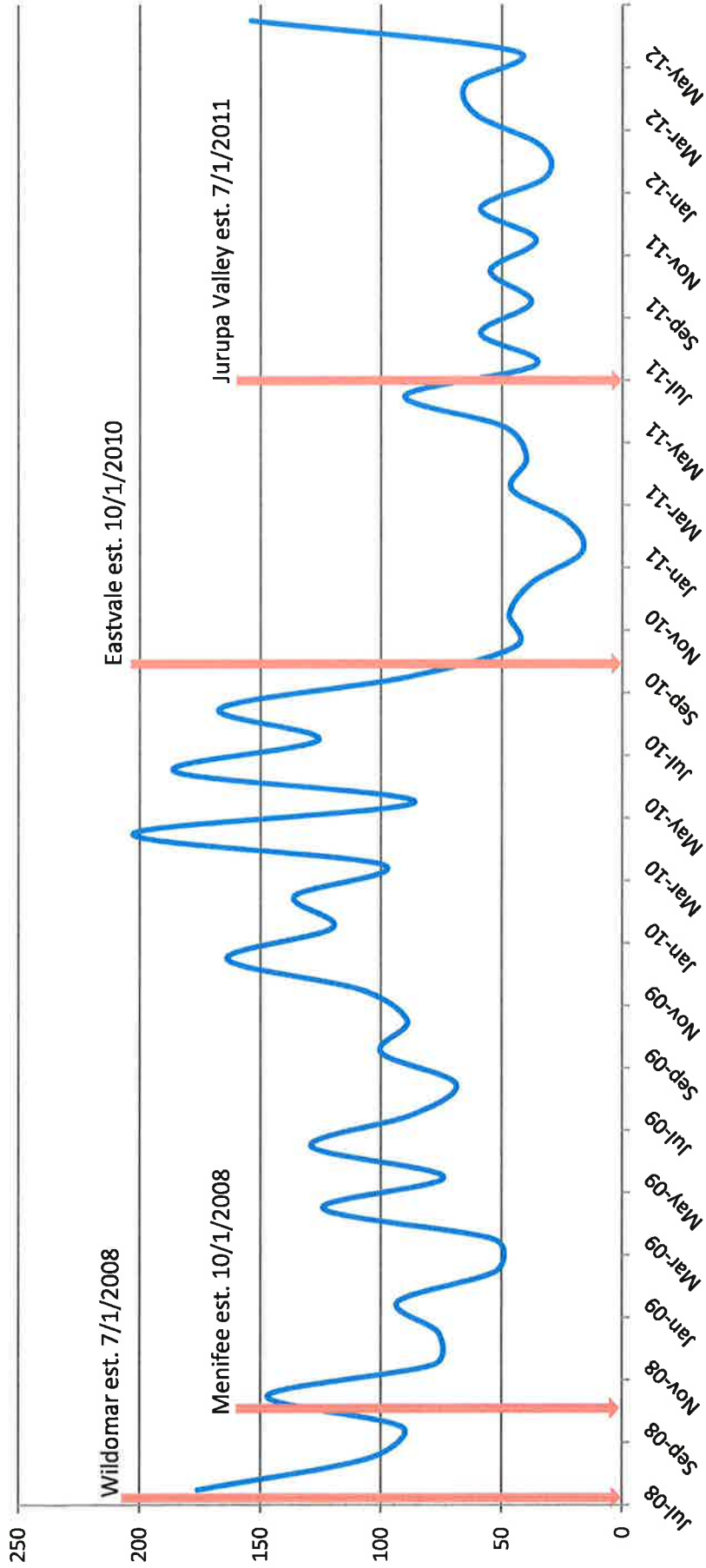
Source: Executive Office

	FY 01-02	FY 02-03	FY 03-04	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
DIF Revenues (100% DIF Fee)	\$15,891,013	\$32,310,555	\$34,835,963	\$32,004,071	\$36,210,130	\$28,685,932	\$16,639,891	\$10,050,338	\$7,140,740	\$5,757,674	\$2,153,710
Actual DIF Revenues	\$15,891,013	\$32,310,555	\$34,835,963	\$32,004,071	\$36,210,130	\$28,685,932	\$16,639,891	\$10,050,338	\$3,894,584	\$2,878,837	\$1,076,855

FY 11-12 Loss of DIF Program Revenue

Attachment B

Single Family Dwelling Permit Trends During FY 08/09 to FY 11/12



FY 08/09	Jul-08	176	Aug-08	105	Sep-08	91	Oct-08	147	Nov-08	78	Dec-08	76	Jan-09	93	Feb-09	52	Mar-09	53	Apr-09	124	May-09	74	Jun-09	129
FY 09/10	Jul-09	87	Aug-09	69	Sep-09	100	Oct-09	89	Nov-09	108	Dec-09	164	Jan-10	120	Feb-10	136	Mar-10	99	Apr-10	203	May-10	86	Jun-10	186
FY 10/11	Jul-10	126	Aug-10	167	Sep-10	89	Oct-10	44	Nov-10	47	Dec-10	38	Jan-11	17	Feb-11	23	Mar-11	46	Apr-11	40	May-11	49	Jun-11	90
FY 11/12	Jul-11	36	Aug-11	59	Sep-11	38	Oct-11	55	Nov-11	36	Dec-11	59	Jan-12	32	Feb-12	34	Mar-12	61	Apr-12	65	May-12	44	Jun-12	154