

# An Overview of the New 2010-2020 Development Impact Fee (DIF) Nexus Study



Riverside County Executive Office Staff Report

June 17, 2014

# What is a development impact fee?

A development impact fee is a one-time charge dedicated to offset the costs of additional public facilities made necessary by the addition of new residents.

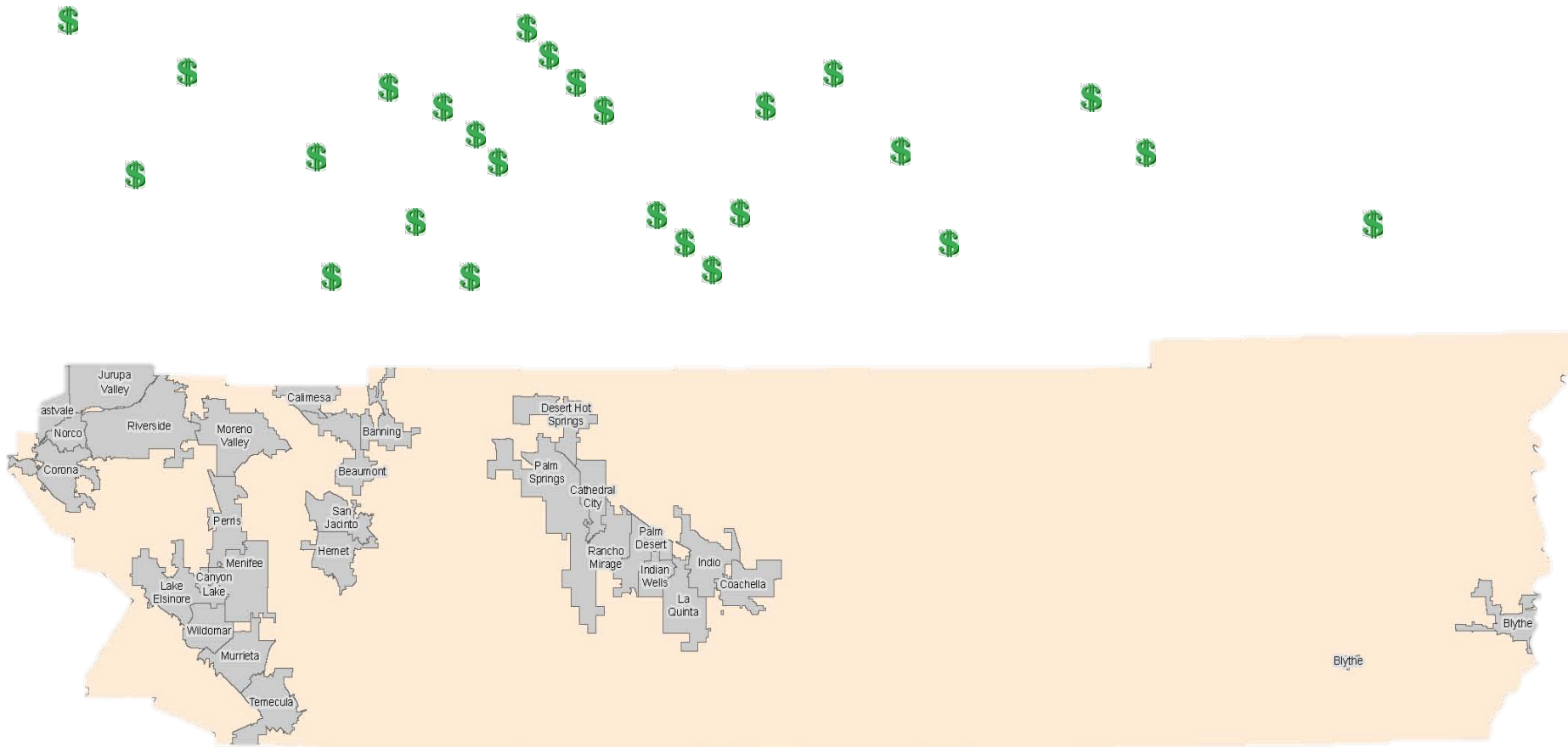


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# What fees does the County capture?



Fees are only charged to and collected from new development in unincorporated Riverside County, based on projects or facilities in the new DIF Capital Improvement Plan.

# **A New DIF Capital Improvement Plan Will Result in Different Fees**

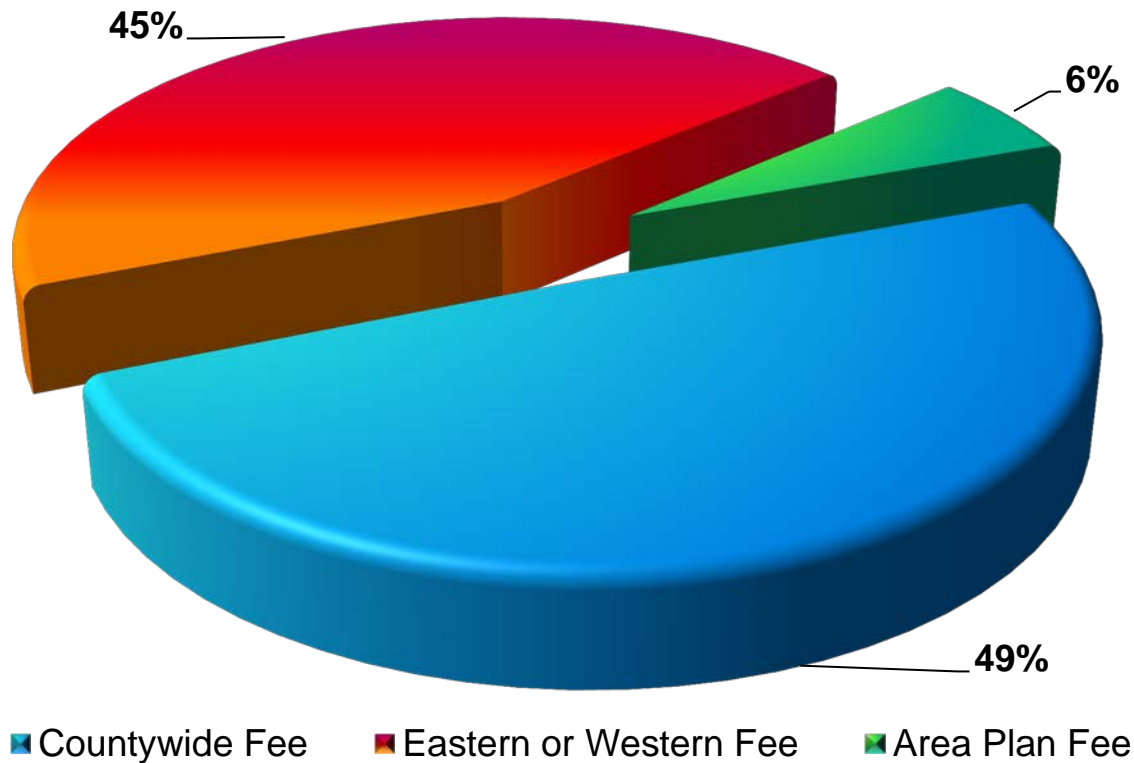
The County Departments submitted priority projects that would be needed in the next ten years through the Capital Improvement Program Annual Call for Projects

**The DIF Capital Improvement Plan is made up of  
the projects or facilities that:**

1. ...must be constructed or expanded in the next ten years (25 for transportation projects) because of impacts from new development
2. ...have identified the cost to mitigate the impacts (facility costs and/or land acquisition) and any other funding sources
3. ...have identified the portion of the project or facility attributed to future growth

**All projects on the DIF Capital Improvement  
Plan must meet this Nexus “sniff test”**

# What is in the proposed DIF Fee?



This is the composition of the average single family DIF fee. It is made up of the ten (10) fee components grouped by Countywide, East or West (Regional), and Area Plan fees.

# What are **Countywide** DIF Fees?

Countywide fees are the fees based on public facilities that serve the entire unincorporated county. It is the basic fee assessed countywide. They include criminal justice facilities, and library books/media.



Juvenile Facilities



Jail Construction



Banning Legal Center  
(DA, Public Defender,  
Probation)



Library  
Books/Media

# What are **East or West** DIF Fees?

Some public facilities serve either western or eastern Riverside County. These are also referred to as Regional fees and include:



Library  
Construction



Fire  
Facilities



Regional  
Parks



Regional  
Trails



... and Traffic  
Signals



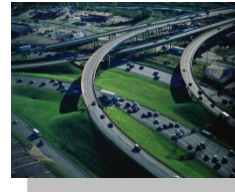
Regional Multi-  
Service Centers

# What are **Area Plan** DIF Fees?

Transportation improvements and flood control facilities are unique to and serve only that area plan.

Western Coachella (Area Plan 2)  
38<sup>th</sup> Avenue Improvements (Adams St. to City of Indio)  
Varner Road Improvements (38<sup>th</sup> Avenue to Washington St)

Temescal Canyon Area (Area Plan 6)  
Interstate 15 and Temescal Canyon Road Interchange



Transportation  
Facilities

Upper San Jacinto Valley (Area Plan 10)  
San Jacinto Valley, Stage 4

Mead Valley/Good Hope (Area Plan 13)  
Mead Valley/Good Hope Line A



Flood control and storm  
drainage facilities



**Fees are paid at the time of certificate of occupancy, and are based on 7 construction types.**



**Single Family**

**Multi-Family**

**Commercial**

**Office**

**Industrial**

**Surface Mining**

**Wineries**

# DIF fees are collected over time and must be spent on the public facility for which the fee was collected

DIF fees cannot be used for operations or maintenance

DIF fees cannot be used as general revenue



Woodcrest Library



Cabazon Fire Station



State Route 60 and Valley Way ramp and signals



Idyllwild Park Expansion



Perris Sheriff Station

# DIF fees are collected over time at the pace of new development

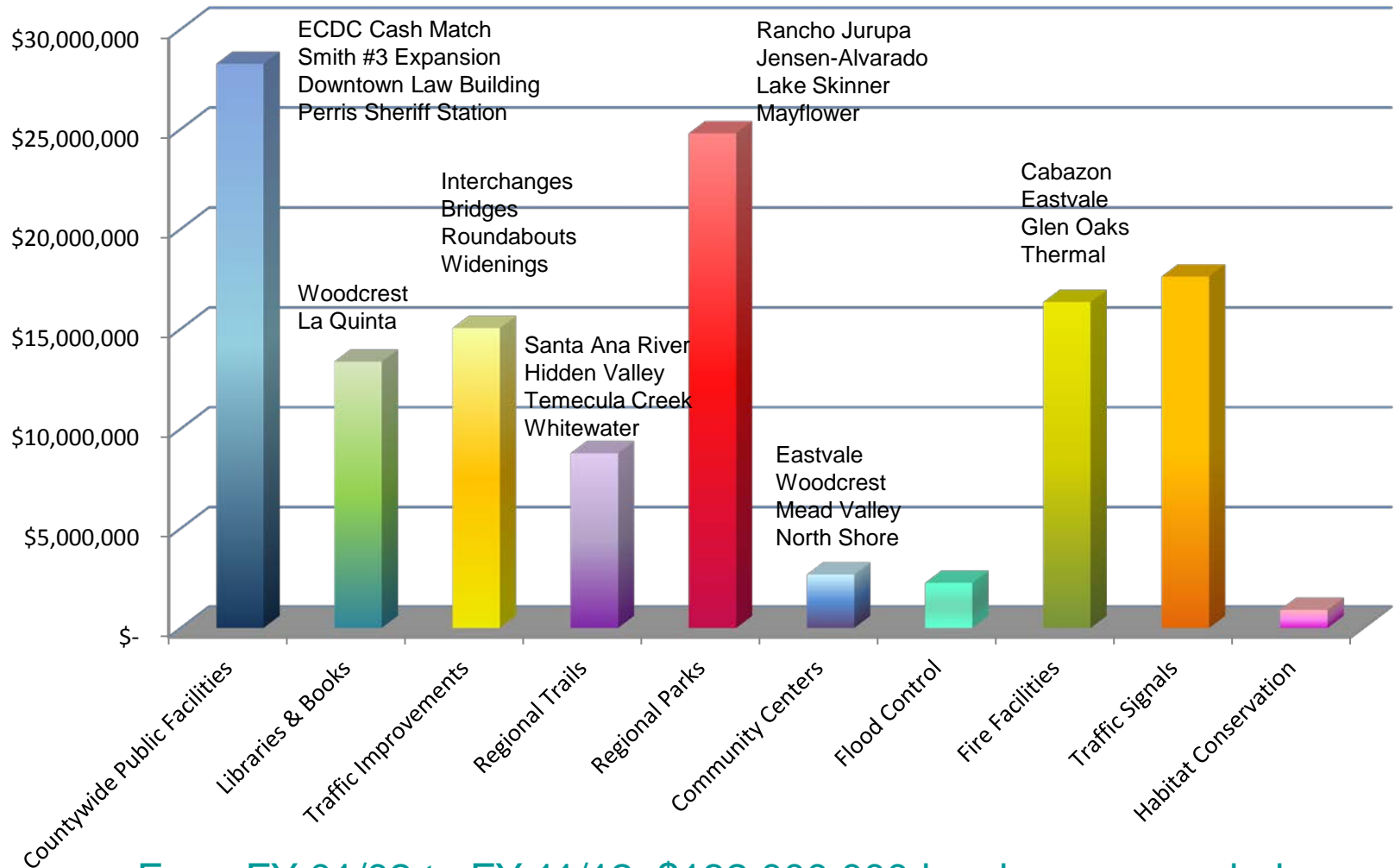


New Development



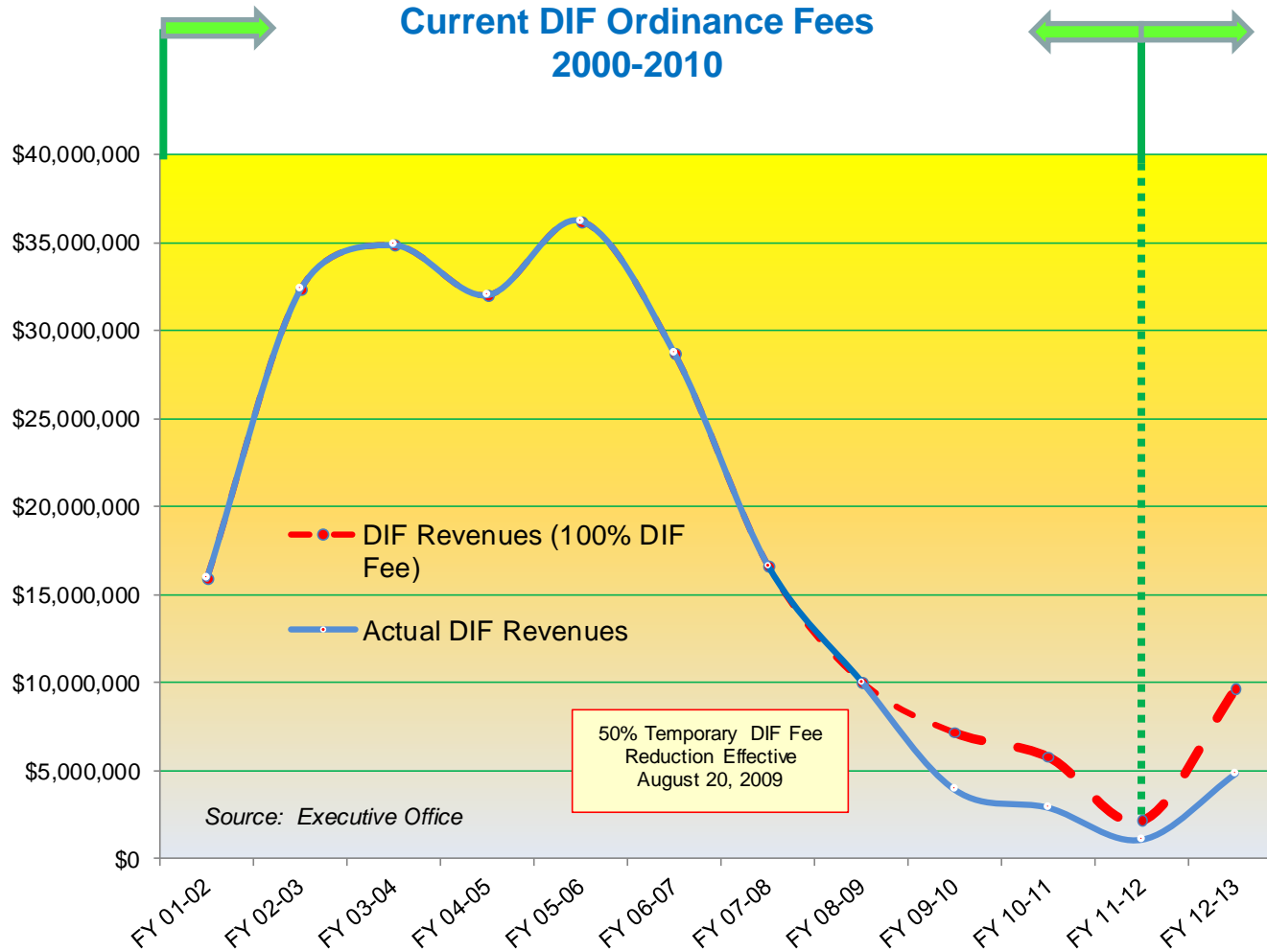
DIF Fee Collection

# How much DIF funds have been spent in the previous DIF planning period?



From FY 01/02 to FY 11/12, \$132,000,000 has been expended on public facilities as a result of new development

# Why is a new DIF fee structure needed now?



**New DIF Ordinance Fees  
2010-2020**

The County has begun a new DIF planning cycle with updated information and different project priorities

# Why do we need to update the DIF Nexus Study?

## Current DIF Ordinance Fees

2000-2010 Planning Period

Based on 1990 Census

David Taussig and Associates

Unincorporated County

Facilities needed by 2010

2000 facility costs

No land costs included

## New Nexus Study Fees

2010-2020 Planning Period

Based on 2010 Census

Willdan Financial Services

Wildomar, Menifee, Eastvale  
& Jurupa Valley Incorporated

Facilities needed by 2020

2013 facility costs

2013 land costs included

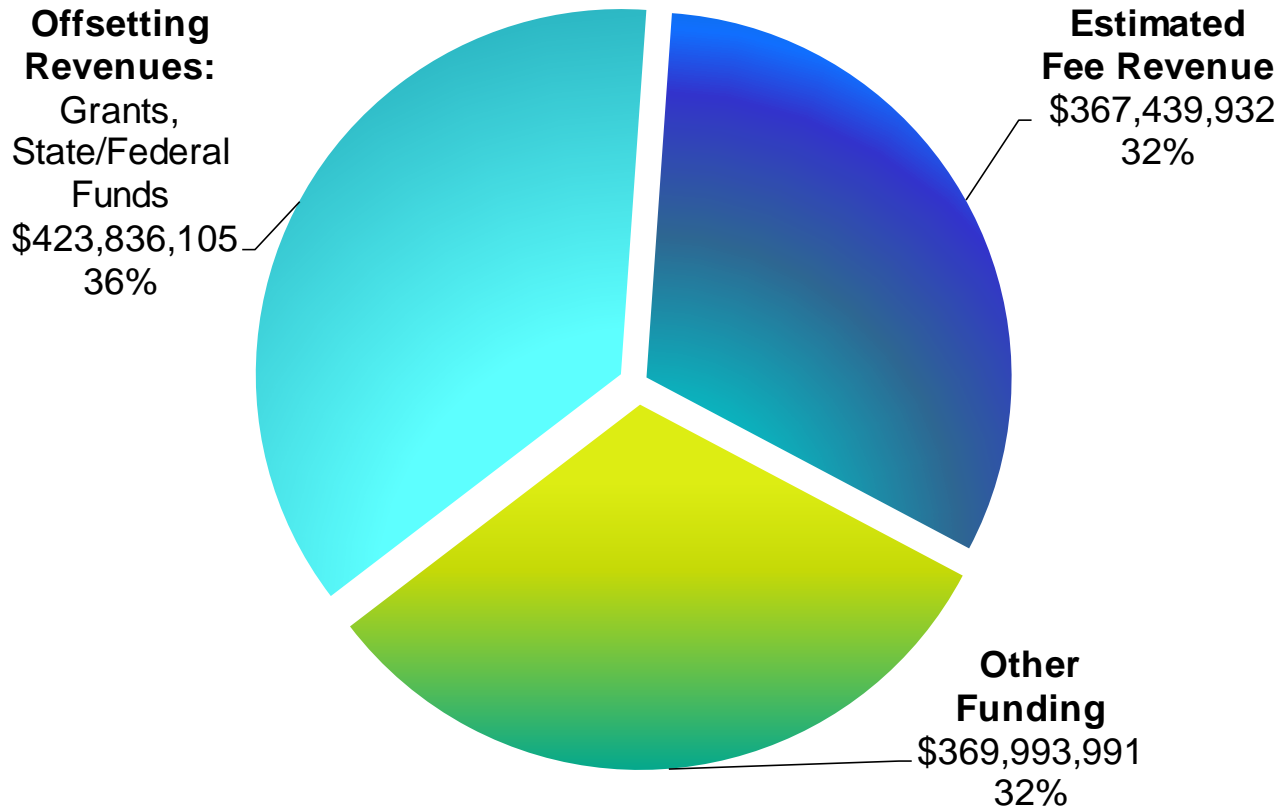
33% MF Fee Reduction for RV Parks (May Revise)

Jail bed expansion priority

**Old Nexus, Old Fees**

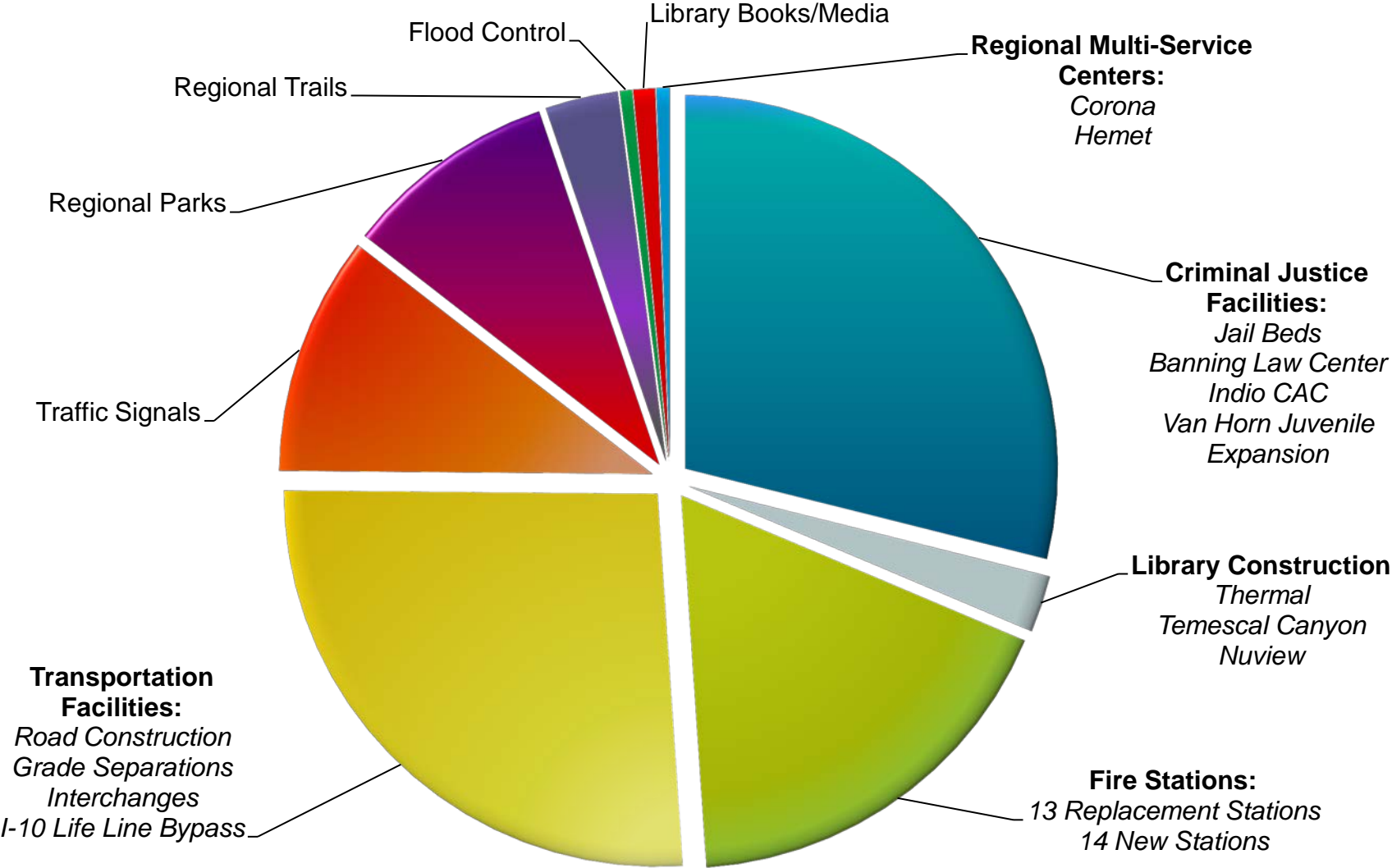
**New Nexus, New Fees**

# The majority of proposed public facilities is funded by offsetting revenues and non-fee sources.



Only the portion of the public facility attributed to new development is paid by new development.

# For what projects and facilities will the 2010-2020 DIF fees charged?





# How do the new 2020 DIF fees compare with the current fees?

Old Fees      New Fees

**Area Plans**

1	Jurupa	\$ 4,613	\$ 4,069	\$ (544)
2	Coachella - Western	\$ 6,183	\$ 4,096	\$ (2,087)
3	Highgrove / Northside / University City	\$ 3,628	\$ 4,720	\$ 1,092
4	Reche Canyon / Badlands	\$ 3,628	\$ 4,634	\$ 1,006
5	Eastvale	\$ 4,057	\$ 4,069	\$ 12
6	Temescal Canyon	\$ 4,416	\$ 4,681	\$ 265
7	Woodcrest / Lake Matthews	\$ 5,142	\$ 4,873	\$ (269)
8	March Air Force Base	\$ 3,598	\$ 4,069	\$ 471
9	Desert Center / CV Desert	\$ 4,277	\$ 4,048	\$ (229)
10	Upper San Jacinto Valley	\$ 4,395	\$ 4,459	\$ 64
11	REMAP	\$ 3,598	\$ 4,251	\$ 653
12	Lakeview / Nuevo	\$ 3,847	\$ 4,098	\$ 251
13	Mead Valley / Good Hope	\$ 6,265	\$ 4,559	\$ (1,706)
14	Palo Verde Valley	\$ 6,801	\$ 4,105	\$ (2,696)
15	Greater Elsinore	\$ 4,221	\$ 4,232	\$ 11
16	Harvest Valley / Winchester	\$ 3,598	\$ 4,069	\$ 471
17	Sun City / Menifee Valley	\$ 5,185	\$ 4,069	\$ (1,116)
18	Coachella - Eastern	\$ 6,982	\$ 4,785	\$ (2,197)
19	Southwest Area Plan (SWAP)	\$ 3,637	\$ 4,069	\$ 432
20	San Gorgonio Pass	\$ 4,956	\$ 4,385	\$ (571)

**Average Single Family**

**Residential \$ 4,651      \$ 4,318      \$ (334)**

# How do the new 2020 DIF fees compare with other cities and counties?

	Average SF DIF
<b>Riverside County</b>	<b>\$ 4,318</b>
Temecula	\$ 5,891
La Quinta	\$ 7,713
Hemet	\$ 8,635
Moreno Valley	\$ 9,067
Wildomar	\$ 9,687
Corona	\$ 11,720
Perris	\$ 13,670
Desert Hot Springs	\$ 15,538
San Bernardino County	\$ 5,057
Orange County	\$ 8,466
San Diego County	\$ 8,095

# The current DIF fee levels will gradually phase in to the New DIF fees over a period of ten months

CURRENT FEES				NEW FEES						
(Single Family)				Sept 1, 2014	January 1, 2015	July 1, 2015				
Area Plans		100% of Old Fees	Temporary Fee Reduction at 50%	Amount of Increase/Decrease	40% Fee Reduction of New Fees	Amount of Increase	20% Fee Reduction of New Fees	Amount of Increase	0% Fee Reduction of New Fees	New Fees at 100%
1	Jurupa	\$ 4,613	\$ 2,307	\$ 135	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
2	Coachella - Western	\$ 6,183	\$ 3,092	\$ (634)	\$ 2,458	\$ 819	\$ 3,277	\$ 819	\$ 4,096	\$ 4,096
3	Highgrove / Northside / University City	\$ 3,628	\$ 1,814	\$ 1,018	\$ 2,832	\$ 944	\$ 3,776	\$ 944	\$ 4,720	\$ 4,720
4	Reche Canyon / Badlands	\$ 3,628	\$ 1,814	\$ 966	\$ 2,780	\$ 927	\$ 3,707	\$ 927	\$ 4,634	\$ 4,634
5	Eastvale	\$ 4,057	\$ 2,029	\$ 413	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
6	Temescal Canyon	\$ 4,416	\$ 2,208	\$ 601	\$ 2,809	\$ 936	\$ 3,745	\$ 936	\$ 4,681	\$ 4,681
7	Woodcrest / Lake Matthews	\$ 5,142	\$ 2,571	\$ 353	\$ 2,924	\$ 975	\$ 3,898	\$ 975	\$ 4,873	\$ 4,873
8	March Air Force Base	\$ 3,598	\$ 1,799	\$ 642	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
9	Desert Center / CV Desert	\$ 4,277	\$ 2,139	\$ 290	\$ 2,429	\$ 810	\$ 3,238	\$ 810	\$ 4,048	\$ 4,048
10	Upper San Jacinto Valley	\$ 4,395	\$ 2,198	\$ 478	\$ 2,675	\$ 892	\$ 3,567	\$ 892	\$ 4,459	\$ 4,459
11	REMAP	\$ 3,598	\$ 1,799	\$ 752	\$ 2,551	\$ 850	\$ 3,401	\$ 850	\$ 4,251	\$ 4,251
12	Lakeview / Nuevo	\$ 3,847	\$ 1,924	\$ 535	\$ 2,459	\$ 820	\$ 3,278	\$ 820	\$ 4,098	\$ 4,098
13	Mead Valley / Good Hope	\$ 6,265	\$ 3,133	\$ (397)	\$ 2,735	\$ 912	\$ 3,647	\$ 912	\$ 4,559	\$ 4,559
14	Palo Verde Valley	\$ 6,801	\$ 3,401	\$ (938)	\$ 2,463	\$ 821	\$ 3,284	\$ 821	\$ 4,105	\$ 4,105
15	Greater Elsinore	\$ 4,221	\$ 2,111	\$ 429	\$ 2,539	\$ 846	\$ 3,386	\$ 846	\$ 4,232	\$ 4,232
16	Harvest Valley / Winchester	\$ 3,598	\$ 1,799	\$ 642	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
17	Sun City / Menifee Valley	\$ 5,185	\$ 2,593	\$ (151)	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
18	Coachella - Eastern	\$ 6,982	\$ 3,491	\$ (620)	\$ 2,871	\$ 957	\$ 3,828	\$ 957	\$ 4,785	\$ 4,785
19	Southwest Area Plan (SWAP)	\$ 3,637	\$ 1,819	\$ 623	\$ 2,441	\$ 814	\$ 3,255	\$ 814	\$ 4,069	\$ 4,069
20	San Gorgonio Pass	\$ 4,956	\$ 2,478	\$ 153	\$ 2,631	\$ 877	\$ 3,508	\$ 877	\$ 4,385	\$ 4,385
CURRENT FEE LEVELS				\$ 265		\$ 863		\$ 863		

## “40-20-0”

The New Adopted DIF fees will be temporarily reduced by 40% starting September 1, 2014.

On January 1, 2015 the New Adopted DIF fees will be temporarily reduced by 20%.

The New Adopted DIF fees collected on and after July 1 will be the full DIF fee amount, with 0% reduction.

# Questions and Answers

## 1. What is the connection between new development and the need for jail beds?

*The answer is population growth. As new residents increase, it creates the demand for a wide range of housing choices, shopping centers, businesses, and other amenities to be constructed. This is new development. New development impacts roads and other public facilities, which include jail facilities.*

*Increases in population drive future jail bed need. The term “incarceration rate” is an industry standard used in jail corrections planning that describes the number of arrests per population.*

*“Population projections continue to show a steady increase into the future for Riverside County. The increased incarceration rate is directly linked to increased population.”*

[Riverside County Sheriff’s Department 2011 Correctional Facility Needs Assessment, page 19](#)



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## 2. Is the DIF Criminal Justice Public Facilities Fee new?

*It's a new name only, for similar projects.*

*Under the current DIF, there are three (3) fees for public facilities serving three (3) areas:*

### Countywide Public Facilities

- Public Safety Radio Sites
- **Expansion of Jail Beds**
- Sheriff's Training Center

### Western County Public Facilities

- Expansion of District Attorney Offices (Banning & Juvenile)
- Expansion of Public Defender Offices
- Southwest Justice Center Juvenile Hall
- Perris Sheriff Station
- Western County Library Construction
- Western County Fire Stations
- Western County Traffic Signals

### Eastern County Public Facilities

- Expansion of District Attorney Offices (Indio)
- Indio Legal Center
- Thermal Sheriff Station
- Eastern County Libraries
- Eastern County Fire Stations
- Eastern County Traffic Signals

*All the **criminal justice** public facilities were combined under one (1) countywide DIF fee to serve all unincorporated county in the proposed DIF:*

### Countywide Criminal Justice Public Facilities

- Expansion of Public Safety Radio Sites
- **Expansion of Jail Beds**
- Banning Legal Center (District Attorney, Probation, Public Defender)
- Indio Legal Center (District Attorney, Public Defender)
- Probation Van Horn Juvenile Facility Expansion (Riverside)
- Probation Indio Juvenile Hall Campus Expansion

### 3. The construction of jail beds is not new to the County's DIF fees. Here is where the differences are:

#### Old Nexus

2,620 jail beds

\$60,865 cost per bed in 2000

Existing Inventory Standard: The count of existing jail beds in 2000 sets the facility standard to determine jail beds needed by 2020.

Current Single Family jail fee is \$392

#### New Nexus

2,527 jail beds

\$136,000 cost per bed in 2010

Systems Standard: The projected number of beds needed by 2020 in the countywide corrections system

Proposed Single Family jail fee is \$885

Using the systems standard means the county needs  $6,279 - 3,752 = 2,527$  net jail beds by 2020\*, however, additional funding (state grants, General Fund) will be needed.

2,527 net jail beds does **NOT** include additional impacts on jail bed need from AB109 Jail Realignment.

**The proposed DIF only places a fair share burden on the unincorporated area growth**

*\*2011 Sheriff Department's Correctional Facility Needs Assessment*

#### 4. Do other jurisdictions include jail bed construction as part of their impact fees?

County	Impact Fee for Jails?	Category Name	Population 1/1/13	Jail Beds	Beds per 1,000 Capita
Yuba County	Yes	Courts/Criminal Justice	73,439	432	5.88
Colusa County	Yes	Sheriff - Jail	21,674	92	4.24
Madera County	Yes	Countywide Public Protection	152,711	563	3.69
Sutter County	Yes	Courts/Criminal Justice	95,851	352	3.67
Kings County	Yes	Public Protection	152,007	487	3.20
Kern County	Yes	Public Protection Facilities	857,882	2,698	3.14
Tehama County	Yes	Corrections	63,772	191	3.00
Butte County	Yes	Sheriff - Jail	221,485	614	2.77
Solano County	Yes	Public Protection	418,387	1,084	2.59
Fresno	Yes	Countywide Public Protection	952,166	2,427	2.55
San Benito	Yes	General Capital Improvements	56,669	142	2.51
Merced County	Yes	Law Enforcement Facilities Impact Fee	62,478	600	2.29
Yolo County	Yes	Facilities and Services Authorization Fee	205,999	455	2.21
Glenn County	Yes	Correctional Facilities	28,349	62	2.19
Shasta County	Yes	Public Protection	178,601	381	2.13
San Joaquin County	Yes	Capital Facilities Fees	698,414	1,333	1.91
<b>Riverside County</b>	<b>Yes</b>	<b>Countywide Public Facilities</b>	<b>2,255,059</b>	<b>3,906</b>	<b>1.73</b>
Placer County	Yes	Capital Facilities Fees	357,463	352	0.98
Stanislaus County	Yes	Detention	524,124	425	0.81

## 5. Why does commercial development currently pay DIF fees for regional parks and trails and not in the proposed nexus?

*Mainly it's because the original nexus study defined "Residents/Employees" as non-working and working residents. County of Riverside Comprehensive Fee Review Final Draft 2001 pg V.H-2)*

*The key consideration to any nexus finding under the Mitigation Fee Act is that new development creates the need or demand for a public facility. By law, impact fees cannot pay for existing deficiencies or a "lack of facilities", only the facilities required as a result of population growth. Commercial development creates demands on roads, traffic signals, and public safety – primarily through the businesses and their employees that occupy commercial development.*

*13 years later, we have better demographic data and resources, and have completely separated residents from employees because it was important to be clear about who creates the facility demand. Businesses and employees (non-county residents) would not typically create the demand for regional parks in unincorporated Riverside County, although some local neighborhood parks may be used by employees in connection with their employment.*

*The regional park projects proposed by the Riverside County Regional Park and Open Space District in the new DIF was based on their analysis of users of regional parks by incorporated and unincorporated residents.*





**A Public Hearing will be held  
on July 1, 2014**

**New DIF Fees Effective Date  
September 1, 2014**