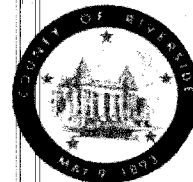


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

681




FROM: Transportation and Land Management Agency (TLMA)

SUBMITTAL DATE:
July 21, 2010

SUBJECT: Temporary Reduction of Development Impact Fees (DIF) and an Amendment to Ordinance No. 659, Establishing a Development Impact Fee Program

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce and adopt, on successive weeks, Ordinance No. 659.9, an Ordinance of the County of Riverside Amending Ordinance No. 659; and
2. Find the adoption of Ordinance No. 659.9 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
3. Direct TLMA and the Executive Office, working with the Building Industry Association, to report to the Board in six months on DIF reduction impacts.



 George A. Johnson
 Director, Transportation and Land Management Agency

(Continued On Attached Page)

FINANCIAL DATA	Current F.Y. Total Cost:	Unknown	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	Unknown	Budget Adjustment:	N/A
	Annual Net County Cost:	\$0	For Fiscal Year:	N/A
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. Our concern is that to date, the temporary DIF reduction has resulted in a revenue loss of \$3,363,912. Funding for development related facilities has already been impacted due, in part, to this temporary reduction. It has resulted in a transfer of responsibility to the general fund. As more development occurs, the burden on general fund reserves will continue for needed capital projects.

County Executive Office Signature by Tina Grande 

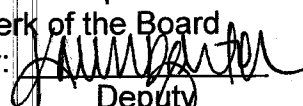
FORM APPROVED COUNTY COUNSEL
 BY: 
 SYNTHIA M. GUNZEL
 DATE: 7-21-10
 Departmental Concurrence

Dept' Recomm.: Consent Policy
 Per Exec. Ofc.: Consent Policy

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Stone, Benoit and Ashley
 Nays: Buster
 Absent: Tavaglione
 Date: July 27, 2010
 xc: TLMA, COB

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

Prev. Agn. Ref. 3.85 - 6/30/2009;
 3.80 - 7/14/09; 3.110
 - 7/21/2009 | **District:** All | **Agenda Number:**

3.85

The Honorable Board of Supervisors

RE: Temporary Reduction of Development Impact Fees (DIF)

July 21, 2010

Page 2 of 2

BACKGROUND: On July 21, 2009, the Board of Supervisors approved a one-year, 50% fee-reduction in Development Impact Fees (DIF), effective August 20, 2009. The goal of the fee reduction was to stimulate the local housing economy. TLMA and the Executive Office have monitored building permit trends and have seen a 21% increase in the number of single family permits issued. This increase may be due to several factors: the 50% fee reduction in the Western Riverside County Transportation Uniform Mitigation Fee (TUMF), the state and federal incentives for homebuyers, the general economic recovery, as well as the temporary DIF fee reduction.

The following summarizes key findings on permits and economic indices:

1. Overall, there was a 7% decrease in the number of issued permits, with 1705 permits issued in FY 08-09 and 1589 permits in FY 09-10. Single family issued permits increased by 21% from 1202 permits in FY 08-09 to 1456 permits in FY 09-10. Commercial/industrial permits increased by 26% but multi-family permits decreased by 97% for the same period.
2. Occupancy permits decreased by 33%, with 3241 permits issued in FY 08-09 and 2179 permits issued in FY 09-10. Single family occupancy permits decreased by 35% from 2567 in FY 08-09 to 1655 permits in FY 09-10, while multi-family permits decreased by 21% and commercial/industrial permits decreased by 25% for the same period.
3. The unemployment rate rose from 12.8% in May 2009 to 14% in May 2010.
4. The median home price in May, 2009 was \$180,000 and rose to \$210,000 in May 2010, a 17% increase.
5. The Assessor's Office reported a 19% decrease in foreclosed properties comparing FY 08-09 foreclosures to FY 09-10. Single family residential properties had a 20% decrease in foreclosures with 28,822 foreclosed properties in FY 08-09 and 23,047 foreclosed properties in FY 09-10. Multi-family property foreclosures decreased by 9% and commercial/industrial properties decreased by 30% over the same period.

The temporary DIF reduction has resulted in the loss of \$3,363,912 in DIF program funds to date. The loss of these funds places additional strain on tight County reserves and the general fund to deliver needed public infrastructure, even with the continued decrease of 30% in capital construction costs.

If approved, the Board's action today will continue the 50% reduction in DIF for one year. Prior to the expiration, the Executive Office and TLMA will return with additional information on the impact of this fee reduction. This additional time will allow for a longer period of data collection for an analysis on the impact of the reduction and examination of the loss in revenue using information from the pending 2020 DIF Nexus Study Update.

**Riverside County Board of Supervisors
Request to Speak**

Submit request to Clerk of Board (right of podium),
Speakers are entitled to three (3) minutes, subject
Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: MARK MANFIELD

Address: ~~602~~ 40225 BERENDA RD
(only if follow-up mail response requested)

City: TEMECULA **Zip:** 92591

Phone #: 310-980-5850

Date: 7/27/10 **Agenda #** 3.85

PLEASE STATE YOUR POSITION BELOW:

Position on "Regular" (non-appealed) Agenda Item:

Support **Oppose** **Neutral**

Note: If you are here for an agenda item that is filed
for "Appeal", please state separately your position on
the appeal below:

Support **Oppose** **Neutral**

I give my 3 minutes to: _____

BOARD RULES

Requests to Address Board on "Agenda" Items:

You may request to be heard on a published agenda item. Requests to be heard must be submitted to the Clerk of the Board before the scheduled meeting time.

Requests to Address Board on items that are "NOT" on the Agenda:

Notwithstanding any other provisions of these rules, member of the public shall have the right to address the Board during the mid-morning "Oral Communications" segment of the published agenda. Said purpose for address must pertain to issues which are under the direct jurisdiction of the Board of Supervisors. YOUR TIME WILL BE LIMITED TO THREE (3) MINUTES.

Power Point Presentations/Printed Material:

Speakers who intend to conduct a formalized Power Point presentation or provide printed material must notify the Clerk of the Board's Office by 12 noon on the Monday preceding the Tuesday Board meeting, insuring that the Clerk's Office has sufficient copies of all printed materials and at least one (1) copy of the Power Point CD. Copies of printed material given to the Clerk (by Monday noon deadline) will be provided to each Supervisor. If you have the need to use the overhead "Elmo" projector at the Board meeting, please insure your material is clear and with proper contrast, notifying the Clerk well ahead of the meeting, of your intent to use the Elmo.

Individual Speaker Limits:

Individual speakers are limited to a maximum of three (3) minutes. Please step up to the podium when the Chairman calls your name and begin speaking immediately. Pull the microphone to your mouth so that the Board, audience, and audio recording system hear you clearly. Once you start speaking, the "green" podium light will light. The "yellow" light will come on when you have one (1) minute remaining. When you have 30 seconds remaining, the "yellow" light will begin flash, indicating you must quickly wrap up your comments. Your time is up when the "red" light flashes. The Chairman adheres to a strict three (3) minutes per speaker. **Note: If you intend to give your time to a "Group/Organized Presentation", please state so clearly at the very bottom of the reverse side of this form.**

Group/Organized Presentations:

Group/organized presentations with more than one (1) speaker will be limited to nine (9) minutes at the Chairman's discretion. The organizer of the presentation will automatically receive the first three (3) minutes, with the remaining six (6) minutes relinquished by other speakers, as requested by them on a completed "Request to Speak" form, and clearly indicated at the front bottom of the form.

Addressing the Board & Acknowledgement by Chairman:

The Chairman will determine what order the speakers will address the Board, and will call on all speakers in pairs. The first speaker should immediately step to the podium and begin addressing the Board. The second speaker should take up a position in one of the chamber aisles in order to quickly step up to the podium after the preceding speaker. This is to afford an efficient and timely Board meeting, giving all attendees the opportunity to make their case. Speakers are prohibited from making personal attacks, and/or using coarse, crude, profane or vulgar language while speaking to the Board members, staff, the general public and/or meeting participants. Such behavior, at the discretion of the Board Chairman may result in removal from the Board Chambers by Sheriff Deputies.