

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



FROM: Executive Office

SUBMITTAL DATE:
September 26, 2013

SUBJECT: Ordinance 659.12, amending Ordinance No. 659 and Chapter 4.60 of the Riverside County Code establishing Development Impact Fees (DIF) to Extend the DIF Temporary Fee Reduction Retroactive to July 1, 2013 [\$126,000-\$400,000]

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Introduce and adopt Ordinance 659.12, temporarily reducing Development Impact Fees by 50%, commencing retroactively to July 1, 2013, and;
- 2) Direct the Executive Office to begin the process to adopt the DIF Nexus Update for an effective date no later than January 2014.

BACKGROUND:

Summary

Approval of this item will extend the reduction in the County's Development Impact Fee (DIF) Program fees to 50%, effective retroactively to July 1, 2013, in accordance with the Board's direction on Item 3-103 approved on September 10, 2013.

Continued on Page 2 of 3

Serena Chow

Serena Chow
Principal Management Analyst

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Ongoing Cost	POLICY/CONSENT (per Exec. Office)
COST	\$ 126,000-400,000	\$	\$ 126,000-400,000	\$	Policy
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: DIF various sub-funds	Budget Adjustment:	No
	For Fiscal Year:	13-14

C.E.O. RECOMMENDATION: The range of anticipated refund amounts are at minimum \$126,000 with a potential refund/revenue loss of \$400,000 based on the monthly average of actual DIF fee receipts in FY 12-13. APPROVE

BY: *Ivan M. Chand*
Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended; the Ordinance is approved as introduced with waiver of reading; and IT WAS FURTHER ORDERED that the Executive Office's recommendation is incorporated herein.

Ayes: Tavaglione, Stone, Benoit and Ashley
Nays: Jeffries
Absent: None
Date: October 8, 2013
xc: EO, TLMA, COB

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.: 3-103, 9/10/13 District: ALL Agenda Number:

3-5

FORM APPROVED COUNTY COUNSEL
BY: *DALE A. GARDNER* DATE: 9/30/13

Departmental Concurrence

- Positions Added
- Change Order
- A-30
- 4/5 Vote

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Ordinance 659.12, amending Ordinance No. 659 and Chapter 4.60 of the Riverside County Code
establishing Development Impact Fees (DIF)

DATE: September 26, 2013

PAGE: Page 2 of 3

BACKGROUND:

Summary (continued):

The County's DIF program was created in 2001 in order to establish fees, assessed on new development only, which the County would collect in order to construct the public facilities (jail beds, roads, traffic signals, regional parks, trails, fire and other governmental facilities, etc.) needed to support growth in the residential, commercial, and industrial sectors.

The County implemented a 50% reduction in the DIF fees in August 2009 to temporarily lower development costs, as a policy tool to help stimulate growth and development activity during the recession. This temporary reduction was extended on several occasions and subsequently expired on June 30, 2013. It was anticipated that a comprehensive update to the DIF, including a revised fee structure, would be brought before the Board for consideration by that time. The fee update is currently under review by our non-County stakeholders and the revised fee structure is expected to begin the adoption process in the next few weeks for an effective date of January 2014.

Impact on Residents and Businesses

The 50% reduction in DIF fees will help those permit applicants who have been awaiting an improved construction climate to move forward with their construction projects.

As of September 16, the refund would immediately affect nine (9) applicants who have paid the 100% fee since July 1, 2013 with approximately \$51,000 to be refunded. An additional estimated amount of \$75,000 from other known projects in process may elect to pay the 100% fee before this Ordinance takes effect for a total of \$126,000 in known refunds. The average monthly fee revenue for FY 12-13 was \$400,000. Therefore the magnitude of refunds or savings to permit applicants is from \$126,000 to \$400,000; however this also represents a revenue shortfall for capital infrastructure. This Ordinance would take effect 30 days from Board adoption.

SUPPLEMENTAL (if needed, OR delete this section):

Additional Fiscal Information

To date, the temporary DIF reduction has resulted in a revenue loss is \$12,677,216 since the first fee reduction became effective August 20, 2009. Funding for development-related facilities has already been impacted due, in part, to this temporary reduction. It has resulted in a transfer of fiscal responsibility to the general fund to backfill the infrastructure needs from new development. As more development occurs, the burden on the general fund will continue for needed capital projects that would otherwise be funded by DIF.

Some DIF trust fund balances have been drawn down to levels insufficient to support new projects. These include: eastern county library books and regional trails; western county regional trails; road improvements in Highgrove, Woodcrest, Reche Canyon, Desert Center, and Southwest; and flood control facilities. The administration of the DIF program is operating on a loan from the General Fund for the fiscal year 2013-2014.

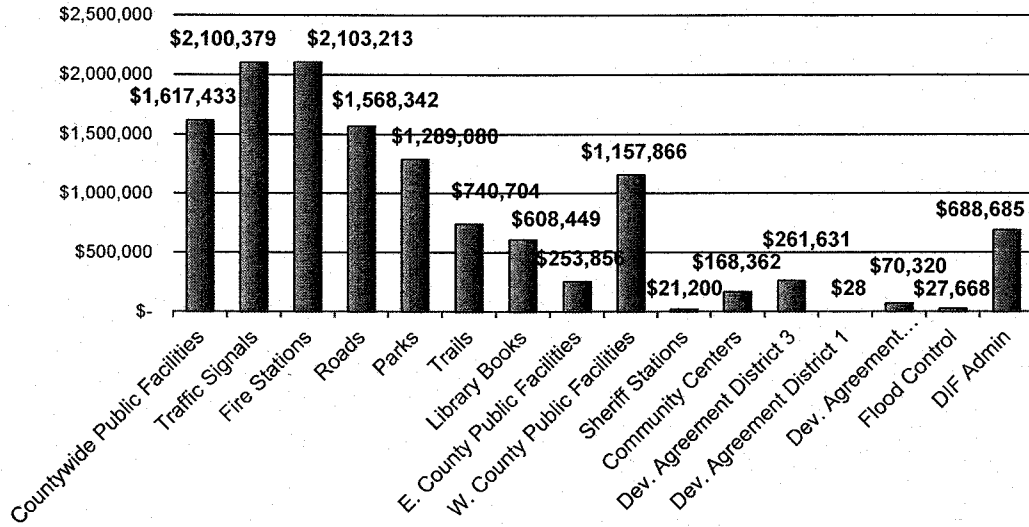
The chart below illustrates the DIF fee reduction losses in each capital category. Beginning in fiscal year 2011-2012, new development began to increase, as indicated by increasing DIF fee revenues.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Ordinance 659.12, amending Ordinance No. 659 and Chapter 4.60 of the Riverside County Code
 establishing Development Impact Fees (DIF)

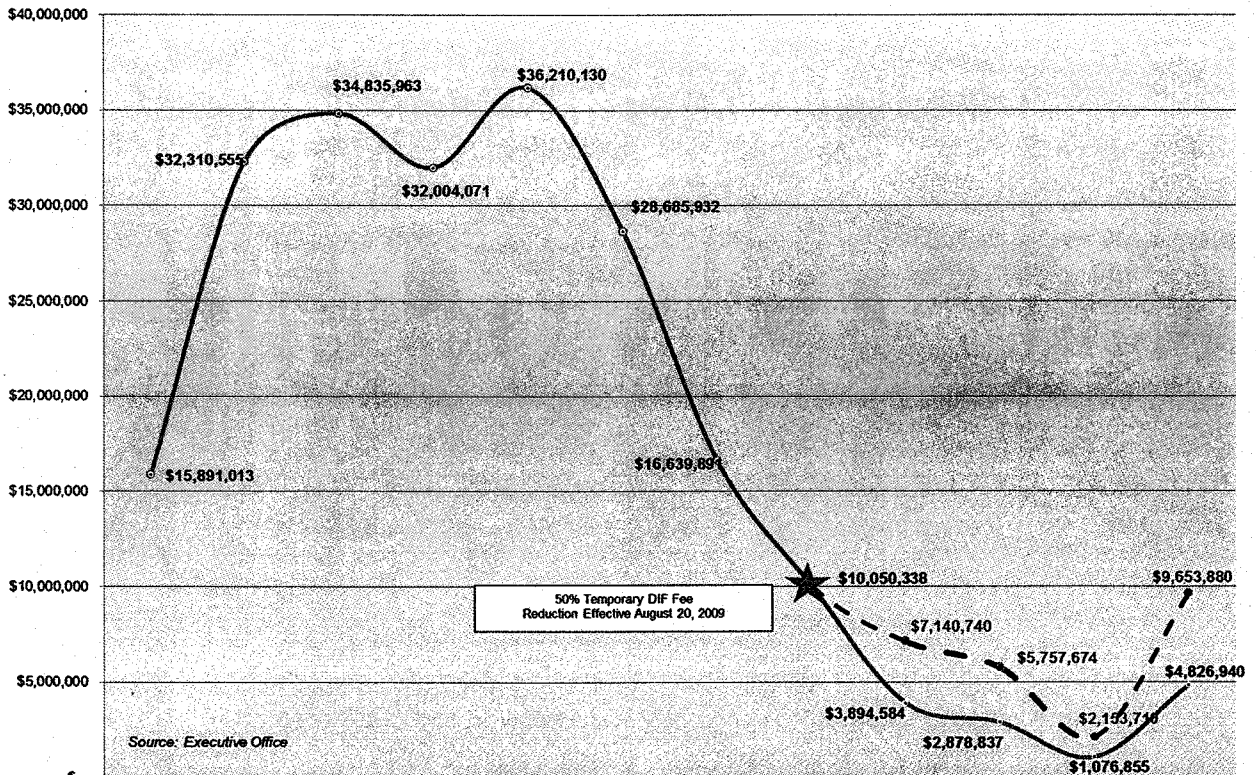
DATE: September 26, 2013

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DIF Fee Reduction Losses
September 1, 2009 through June 30, 2013
\$12,677,216



Fee revenues reflect the pace of new development. The year-to-year comparison of DIF fee revenues indicates that the growth of new development is nearing a pace similar to that of fiscal year 2008-2009.



	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	FY 12-13
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	\$9,653,880
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	\$4,826,940

**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: Paul Jacobs

Address: _____
(only if follow-up mail response requested)

City: Temecula **Zip:** 92592

Phone #: _____

Date: 10/8/13 **Agenda #** 3-5

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: _____

**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
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: GARRY GRANT

Address: 27068 JARVIS ST
(only if follow-up mail response requested)

City: PERRIS **Zip:** 92570

Phone #: 951.657.9318

Date: OCT 8TH 2017 **Agenda #** 3.5

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: _____

**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
to Board Rules listed on the reverse side of this form.

SPEAKER'S NAME: Michelle Randall

Address: _____
(only if follow-up mail response requested)

City: _____ **Zip:** _____

Phone #: _____

Date: 10/08/13 **Agenda #** 3.5

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
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I give my 3 minutes to: _____