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

Riverside County Executive Office Staff Report
February 11, 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.
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 on the DIF Capital Improvement Plan.
How is the DIF Capital Improvement Plan developed?

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 fee components grouped by Countywide, East or West (Regional), and Area Plan 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, library books/media, and traffic signals:

Juvenile Facilities

Jail Construction

Banning Legal Center (DA & Public Defender)

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

- Library Construction
- Fire Facilities
- Regional Parks
- Regional Trails
- … and Traffic Signals
- Regional Multi-Service Centers

What are East or West DIF Fees?
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)**
- 38th Avenue Improvements (Adams St. to City of Indio)
- Varner Road Improvements (38th Avenue to Washington St)

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

**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

**Transportation Facilities**

**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.
DIF fees are collected over time at the pace of new development.
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?

Current DIF Ordinance Fees 2000-2010

New DIF Ordinance Fees 2010-2020

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

Source: Executive Office

50% Temporary DIF Fee Reduction Effective August 20, 2009
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
  - Jail bed expansion priority

**Old Nexus, Old Fees**

**New Nexus, New Fees**
Only 32% of the proposed public facilities are funded by DIF fees

DIF fees are based on the proportion of facility costs attributed to new development for a public facility that serves existing residents as well.
For what projects and facilities will the 2010-2020 DIF fees charged?

Criminal Justice Facilities:
- Jail Beds
- Banning Law Center
- Indio CAC
- Van Horn Juvenile Expansion

Regional Multi-Service Centers:
- Corona
- Hemet

Library Construction:
- Thermal
- Temescal Canyon
- Nuview

Library Books/Media

Regional Parks

Regional Trails

Flood Control

Transportation Facilities:
- Road Construction
- Grade Separations
- Interchanges
- I-10 Life Line Bypass

Fire Stations:
- 13 Replacement Stations
- 14 New Stations
How do the new 2020 DIF fees compare with the current fees?

<table>
<thead>
<tr>
<th>Area Plans</th>
<th>Old Fees</th>
<th>New Fees</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurupa</td>
<td>$4,613</td>
<td>$4,069</td>
<td>$(544)</td>
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<tr>
<td>Coachella - Western</td>
<td>$6,183</td>
<td>$4,096</td>
<td>$(2,087)</td>
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<tr>
<td>Highgrove / Northside / University City</td>
<td>$3,628</td>
<td>$4,720</td>
<td>$1,092</td>
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<tr>
<td>Reche Canyon / Badlands</td>
<td>$3,628</td>
<td>$4,634</td>
<td>$1,006</td>
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<td>Eastvale</td>
<td>$4,057</td>
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<td>Temescal Canyon</td>
<td>$4,416</td>
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<td>$265</td>
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<tr>
<td>Woodcrest / Lake Matthews</td>
<td>$5,142</td>
<td>$4,873</td>
<td>$(269)</td>
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<td>March Air Force Base</td>
<td>$3,598</td>
<td>$4,069</td>
<td>$471</td>
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<tr>
<td>Desert Center / CV Desert</td>
<td>$4,277</td>
<td>$4,048</td>
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<td>Upper San Jacinto Valley</td>
<td>$4,395</td>
<td>$4,459</td>
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<td>$3,598</td>
<td>$4,251</td>
<td>$653</td>
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<tr>
<td>Lakeview / Nuevo</td>
<td>$3,847</td>
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<td>$251</td>
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<tr>
<td>Mead Valley / Good Hope</td>
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<td>Coachella - Eastern</td>
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Average Single Family Residential $4,651 $4,318 $(334)
How do the new 2020 DIF fees compare with other cities and counties?

<table>
<thead>
<tr>
<th>City</th>
<th>Average SF DIF</th>
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<tbody>
<tr>
<td>Riverside County</td>
<td>$4,318</td>
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<td>Temecula</td>
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<td>La Quinta</td>
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<td>Hemet</td>
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<td>Perris</td>
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<td>Desert Hot Springs</td>
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<td>San Bernardino County</td>
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<td>Orange County</td>
<td>$8,466</td>
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<td>San Diego County</td>
<td>$8,095</td>
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</table>
The current DIF fee levels will gradually phase in to the New DIF fees over a period of one year.

### CURRENT FEES

<table>
<thead>
<tr>
<th>Area Plans</th>
<th>100% of Old Fees</th>
<th>Temporary Fee Reduction at 50%</th>
<th>Amount of Increase/Decrease</th>
<th>60% of New Fees</th>
<th>Amount of Increase</th>
<th>80% of New Fees</th>
<th>Amount of Increase</th>
<th>100% of New Fees</th>
<th>New Fees at 100%</th>
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<td>March Air Force Base</td>
<td>$3,598</td>
<td>$1,799</td>
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<td>$2,441</td>
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<td>$3,255</td>
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<td>Desert Center / CV Desert</td>
<td>$4,277</td>
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<td>$4,385</td>
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</tr>
</tbody>
</table>

**CURRENT FEE LEVELS**

- The New DIF fees will be reduced by 40% starting July 1, 2014 and increased by 20% in six month increments.
- The average increase from current fee level or 16.5% increase from current fee level after 6 months.

**NEW FEES**

- **July 1, 2014:**
  - $265 average increase from current fee level
- **January 1, 2015:**
  - $863 average increase from current fee level
- **July 1, 2015:**
  - $863 average increase after 6 months
Where can I go to get more information about the draft DIF Nexus Study and proposed fees?

The County of Riverside Transportation and Land Management Agency (TLMA) has created an interactive website to provide you with access to the Proposed DIF Nexus Study and fee schedules. The website will be operational on or about March 1, 2014.

A hard copy will be available for review at each of the county permit offices.

Is it possible to comment on the document?

Yes! Written comments are welcome and may be received at the Riverside County Executive Office up until April 1, 2014. The address is:

Riverside County Executive Office
County Administrative Center
4080 Lemon Street, 4th Floor
Riverside, California 92501
Attention: DIF Program Administrator
A Public Hearing will be held on April 22, 2014

New DIF Fee Structure
Effective Date July 1, 2014