

AGENDA ITEM NO. 10

**WESTERN RIVERSIDE
COUNTY MSHCP
LOCAL DEVELOPMENT
MITIGATION FEE
ANNUAL CPI ADJUSTMENT**

*Regional Conservation Authority***WESTERN RIVERSIDE COUNTY MSHCP
LOCAL DEVELOPMENT MITIGATION FEE
ANNUAL CPI ADJUSTMENT****Staff Contact:****Honey Bernas
Director of Administrative Services
(951) 955-9700****Background:**

The MSHCP calls for an annual automatic CPI adjustment to local development mitigation fees collected to fund the implementation of the Plan. Fee ordinances adopted by the County and Cities reflect this requirement. Each year, the RCA staff informs the County and Cities of the CPI adjustment and whether or not the Board approved the adjustment.

Based on the CPI increase from December 2014 to December 2015, MSHCP fees would increase 2.03% effective July 1, 2016. The attached spreadsheet shows the current fees and the fees effective July 1, 2016 if the RCA were to implement the increase.

Due to the recession, the RCA Board elected to not implement the automatic CPI adjustment for six years, from Fiscal Year 2010 to Fiscal Year 2015, with a cumulative 8.54% increase waived. Effective July 1, 2015, the fees were increased by 0.73%, less than 1% over a seven year period.

If approved, staff estimates the rate increase of 2.03% would generate approximately \$203,000 in additional development mitigation fees to the RCA for the Fiscal Year 2017. The estimate is based on \$10 million in potential development mitigation fees for the year.

Executive Committee and Staff Recommendations:

That the RCA Board of Directors:

- 1) Approve implementing the CPI adjustment for Western Riverside County MSHCP Local Development Mitigation Fees effective July 1, 2016; and
- 2) Direct staff to inform Member Agencies of this action.

Attachment:

Current, Adjusted, and Proposed MSHCP Development Mitigation Fees

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Attachment

**Current, Adjusted,
and Proposed
MSHCP Development
Mitigation Fees**

REGIONAL CONSERVATION AUTHORITY (RCA)

PROPOSED MITIGATION FEE INCREASE FOR JULY 1, 2016

Based on Consumer Price Index (CPI)

Source for CPI: U.S Bureau of Labor Statistics for "Los Angeles-Riverside-Orange County"

Proposed Fees for July 1, 2015

Fee Category	FY 2016 Current Fee	Fee per	CPI Factor Dec 2014	CPI Factor Dec 2015	Note 1 CPI Factor	Potential Fee Increase (7/1/16 to 6/30/17)	Potential FY 2017 Adjusted Fee
Residential, density less than 8.0 dwelling units per acre	\$1,952	dwelling unit	240.475	245.357	2.0301%	\$40	\$1,992
Residential, density between 8.0 and 14.0 dwelling units per acre	\$1,250	dwelling unit	240.475	245.357	2.0301%	\$25	\$1,275
Residential, density greater than 14.0 dwelling units per acre	\$1,015	dwelling unit	240.475	245.357	2.0301%	\$21	\$1,036
Commercial	\$6,645	acre	240.475	245.357	2.0301%	\$135	\$6,780
Industrial	\$6,645	acre	240.475	245.357	2.0301%	\$135	\$6,780

Note 1: Based on the CPI increase from December 2014 to December 2015.

Legal justification based on MSHCP Mitigation Fee Ordinance.