

*Regional Conservation Authority***MSHCP LOCAL DEVELOPMENT MITIGATION FEE  
ANNUAL CPI ADJUSTMENT****Staff Contact:****Charles Landry  
Executive Director  
(951) 955-9700****Background:**

The MSHCP calls for an annual 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 asks them to adjust their fee accordingly.

Based on the CPI increase from December 2008 to December 2009, MSHCP fees would increase 1.832% effective July 1, 2010. The attached spreadsheet shows the current fees and the fees effective July 1, should the RCA implement the increase.

If RCA elects not to implement the CPI adjustment, staff estimates a possible loss of revenue, based on the first six months of this fiscal year, of approximately \$115,000 for Fiscal Year 2011. Note that the RCA did not adjust the fees last fiscal year.

Staff presented this item to the Executive Committee at their March 17, 2010 meeting to seek their direction concerning the implementation of the CPI adjustment. The Executive Committee discussed the effect to RCA revenues and the current economy, and they recommended that the RCA Board of Directors not implement the CPI adjustment to MSHCP Local Development Mitigation Fees for Fiscal Year 2010-11.

**Executive Committee and Staff Recommendation:**

That the RCA Board of Directors:

- 1) Approve not implementing the CPI adjustment for MSHCP Local Development Mitigation Fees for Fiscal Year 2010-11; and
- 2) Direct staff to inform member agencies of this action.

**Attachment:**

Current and Adjusted MSHCP Fees

# **AGENDA ITEM NO. 7.1**

## **ATTACHMENT**

### **Current and Adjusted MSHCP Fees**

# REGIONAL CONSERVATION AUTHORITY (RCA)

PROPOSED MITIGATION FEE INCREASE FOR JULY 1, 2010

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, 2010

| <u>Fee Category</u>   | <u>FY 09-10<br/>Existing<br/>Fee</u> | <u>Fee per</u> | <u>Note 1<br/>CPI<br/>Factor</u> | <u>FY 10-11<br/>Adjusted<br/>Fee</u> | <u>\$ Fee Increase<br/>(7/1/09 to 7/1/10)</u> | <u>FY 10-11<br/>Proposed<br/>Fee</u> |
|---|--------------------------------------|----------------|----------------------------------|--------------------------------------|---|--------------------------------------|
| Residential, density less than 8.0 dwelling units per acre        | \$1,938                              | dwelling unit  | 1.8320%                          | \$1,974                              | \$36  | \$1,938                              |
| Residential, density between 8.0 and 14.0 dwelling units per acre | \$1,241                              | dwelling unit  | 1.8320%                          | \$1,264                              | \$23  | \$1,241                              |
| Residential, density greater than 14.0 dwelling units per acre    | \$1,008                              | dwelling unit  | 1.8320%                          | \$1,026                              | \$18  | \$1,008                              |
| Commercial  | \$6,597                              | acre           | 1.8320%                          | \$6,718                              | \$121   | \$6,597                              |
| Industrial  | \$6,597                              | acre           | 1.8320%                          | \$6,718                              | \$121   | \$6,597                              |

**Note 1: Based on the CPI increase from December 2008 to December 2009.**

**Legal justification based on MSHCP Mitigation Fee Ordinance.**