EXECUTIVE COMMITTEE
MEETING AGENDA

TIME: **12:00 p.m.**

DATE: **Wednesday, August 18, 2021**

LOCATION: **March Field Conference Room**
County of Riverside Administrative Center
4080 Lemon Street, Third Floor, Riverside

Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), the Executive Committee meeting will also be conducted via video conferencing and by telephone.

COMMITTEE MEMBERS

Natasha Johnson, City of Lake Elsinore – Chair
Jeff Hewitt, County of Riverside, District 5 – Vice Chair
Lesa Sobek, City of Menifee
Jonathan Ingram, City of Murrieta
Kevin Bash, City of Norco
Crystal Ruiz, City of San Jacinto
Kevin Jeffries, County of Riverside, District 1

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

www.wrc-rca.org

EXECUTIVE COMMITTEE
MEETING AGENDA

12:00 p.m.
Wednesday, August 18, 2021

March Field Conference Room
County of Riverside Administrative Center
4080 Lemon Street, Third Floor, Riverside, CA

Pursuant to Governor Newsom's Executive Order N-29-20, (March 18, 2020), the Executive Committee meeting will also be conducted via video conferencing and by telephone. Please follow the instructions below to join the meeting remotely.

INSTRUCTIONS FOR ELECTRONIC PARTICIPATION

Join Zoom Meeting
https://rctc.zoom.us/j/85405737808

Call in: +1 669 900 6833

Meeting ID: 854 0573 7808

One tap mobile: +16699006833,,85405737808#

For members of the public wishing to submit comment in connection with the Executive Committee Meeting please email written comments to the Clerk of the Board at lmobley@rctc.org prior to August 17, 2021, at 5:00 p.m., and your comments will be made part of the official record of the proceedings. Members of the public may also make public comments through their telephone or Zoom connection when recognized by the Chair.

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the RCA's website, www.wrc-rca.org.

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, Executive Order N-29-20, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (951) 787-7141 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENTS – *Under the Brown Act, the Board should not take action on or discuss matters raised during public comment portion of the agenda that are not listed on the agenda. The Board Members may refer such matters to staff for factual information or to be placed on the subsequent agenda for consideration.*

5. ADDITIONS / REVISIONS – *The Board may add an item to the agenda after making a finding that there is a need to take immediate action on the item and that the item came to the attention of the Board subsequent to the posting of the agenda. An action adding an item to the agenda requires 2/3 vote of the Board. If there are less than 2/3 of the Board Members present, adding an item to the agenda requires a unanimous vote. Added items will be placed for discussion at the end of the agenda.*

6. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).*

6A. APPROVAL OF MINUTES – JUNE 16, 2021

Page 1

6B. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORTS FOR JUNE AND JULY 2021

Page 9

Overview

This item is for the Committee to:

1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Reports for June and July 2021; and
2) Forward to the Board of Directors for final action.

6C. SINGLE SIGNATURE AUTHORITY REPORT

Page 12

Overview

This item is for the Committee to:

1) Receive and file the Single Signature Authority report for the fourth quarter ended June 30, 2021; and
2) Forward to the Board of Directors for final action.

6D. QUARTERLY PUBLIC ENGAGEMENT METRICS REPORT, APRIL-JUNE 2021

Page 14

Overview

This item is for the Committee to:

1) Receive and file report summarizing the Quarterly Public Engagement Metrics; and
2) Forward to the Board of Directors for final action.

7. MSHCP MITIGATION FEE IMPLEMENTATION MANUAL UPDATE

Page 33

Overview

This item is for the Committee to:

1) Approve the update to the MSHCP Mitigation Fee Implementation Manual;
2) Approve the retroactive implementation to July 1, 2021; and
3) Forward to the Board of Directors for final action.

8. EXPLORATION OF RCA DIRECT COLLECTION OF LOCAL DEVELOPMENT MITIGATION FEES

Page 146

Overview

This item is for the Committee to:

1) Receive and file a presentation regarding the Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation Fee (LDMF) collection and oversight process;
2) Discuss and provide direction to staff related to an assessment of the potential for RCA to directly collect LDMF on behalf of RCA Member Agencies; and
3) Forward to the Board of Directors for final action.

9. ACQUISITIONS STATUS REPORT

Page 149

Overview

This item is for the Committee to:

1) Receive and file the acquisitions status report as of July 31, 2021; and
2) Forward to the Board of Directors for final action.

10. LEGISLATIVE UPDATE

Page 153

Overview

This item is for the Committee to:

1) Receive and file an update on state and federal legislation; and
2) Forward to the Board of Directors for final action.

11. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORT

Overview

This item provides the opportunity for the Board of Directors and the Executive Director to report on attended meetings/conferences and any other items related to Board activities.

12. ADJOURNMENT

The next Executive Committee is scheduled to be held on **Wednesday, September 15, 2021**, March Field Conference Room, Third Floor, County Administrative Center, 4080 Lemon Street, Riverside.

AGENDA ITEM 6A

MINUTES

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

EXECUTIVE COMMITTEE MINUTES

Wednesday, June 16, 2021

1. CALL TO ORDER

The meeting of the Executive Committee was called to order by Vice Chair Jeff Hewitt at 12:00 p.m., via Zoom Meeting ID: 816 3676 0176, pursuant to Governor Newsom's Executive Order N-29-20.

2. ROLL CALL

Members/Alternates Present	**Members Absent**
Kevin Jeffries	Natasha Johnson
Jeff Hewitt	
Lesa Sobek	
Jonathan Ingram	
Kevin Bash	
Crystal Ruiz	

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by David Knudsen.

4. PUBLIC COMMENTS

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted correspondence had been received.

Michelle Staples, a representative for the Olsen Canyon property, thanked staff for the updated appraisal that was received a few days ago and addressed most of the issues that were presented at last month's meeting. However, the updated appraisal does not satisfy the MSHCP, as the appraiser notes in the report that he is not able to determine if mining is the highest and best use of the property. The RCA needs another appraiser who has mining experience to properly appraise this property. When RCA staff responded, it was stated that another appraisal would not be prepared unless the property owner was prepared to move into the MSHCP conflict resolution process. The Board is asked to work with RCA staff to retain a qualified appraiser to evaluate the property's mining value and negotiate along the lines of the previous offer presented to RCA.

Ed Sauls, a member of the public, wanted to remind the Board of the importance of the perspective of landowners. The MSHCP was adopted and was approved on a leap of faith, as it was committing to buy or otherwise compensate for 153,000 acres of land, without money.

The RCA then set up 300,000-acre criteria cell areas putting the burden on the landowners and holding them hostage to find out whether they would be able to develop their properties by going through a HANS process, paying money to do so. Landowners are looking to the RCA Board to help solve and address acquisitions, treatment of owners, and improve the plan.

Rick Friess, a representative for the EHOF Lakeside property, noted that when the current owner purchased the property, there had already been a HANS determination that development could occur without running afoul of the MSHCP. Years into the development process, the property owner discovered that the County had entitled property in the same cell groups making the previously approved HANS determination no longer valid. Once the RCA started the acquisition process, there was limited communication and appraisals weren't discovered until the litigation process was started by the property owners, where they were identified as willing sellers, which is highly inaccurate.

5. ADDITIONS / REVISIONS

There were no additions or revisions to the agenda.

6. CLOSED SESSION

At this time, Steve DeBaun, legal counsel, announced the Board would be going in to Closed Session to discuss the one item listed on the agenda.

6A. CONFERENCE WITH LEGAL COUNSEL: EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)
Case No. RIC1901547

6B. REPORT OUT FROM CLOSED SESSION

There were no announcements from Closed Session.

7. CONSENT CALENDAR – *All matters on the Consent Calendar will be approved in a single motion unless a Board Member(s) requests separate action on specific item(s).*

M/S/C (Sobek/Ingram) to approve the following Consent Calendar items.

7A. APPROVAL OF MINUTES – MAY 19, 2021

7B. WESTERN RIVERSIDE COUNTY MULTIPLE SPECIES HABITAT CONSERVATION PLAN FEE COLLECTION REPORT FOR MAY 2021

This item is for the Committee to:

1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Report for May 2021; and
2) Forward to the Board of Directors for final action.

8. RIGHT OF WAY ACQUISITION OVERVIEW

Ed Sauls, a member of the public, applauded staff on their efforts, but questioned the problematic policies they are required to follow. The policies don't address several items including: the conflict resolution process is void of good faith negotiations; proposing alternatives to the conflict resolution process; appraisals do not reflecting the terms, a current day fair market value is determined, but it can take years to finish the acquisition; they do not provide compensation or tax relief to landowners due to delays; the MSHCP details removing a property from the cell criteria if it isn't purchased within four years, which should be included in the acquisition policy; and the prospect of land trades.

Royal Borel, a member of the public, raised concerns regarding the conflict resolution process. Currently, in the process of responding to a HANS study, there have been a few instances of appraisals done by the County not being shared with the property owner. When the County decides it needs a property for non-development use the property owners aren't allowed to sell it elsewhere. Also, appraisals are not done completely or competently.

Rick Friess, a representative for the EHOF Lakeside property, noted that the current property owners have been prevented from developing the property. According to the latest correspondence from RCA legal staff, the property owner can't do anything about being listed as a willing seller as the County didn't object to the owners being treated as such, meaning there's no dispute and no way for the owner to go forward with the JPR process. The letter came after it was threatened the RCA wouldn't proceed with the MSHCP or the dispute resolution process because the property owner had ensued a violation of their civil rights, petitioning the court. The property owner now must rely on the County to tell the RCA that the property owner is not a willing seller, to proceed.

Garrett Sauls, a member of the public, thanked staff for their efforts and recognized that efforts are moving in the right direction. The administrative settlement procedure that is included in this agenda item is a great step in the right direction. In May, a desire for a clearer, more communicative process was expressed to the RCA Board. In the past, when issues and conflicts arose, owners were able to have sit down meetings with the RCA and most times agree on solutions. Being able to communicate directly with the RCA staff goes a long way to deal effectively with any issues.

Michelle Staples, a representative for the Olsen Canyon property, agreed with the comments of Mr. E. Sauls and Mr. G. Sauls. It would be helpful to convene a group that includes property owners and representatives to work with RCA staff to fill in the policy summary with negotiated acquisition strategies that have been successful through the life of the MSHCP.

Gary Washburn, a member of the public, believes the MSHCP has merit, but it falls short in its ability to work with landowners especially in the conflict resolution process. The process isn't fair and is unacceptable to landowners.

Lisa Mobley, Administrative Services Manager/Clerk of the Board, noted that correspondence was received from Phil Jones on this agenda item.

Anne Mayer, Executive Director, thanked the public for their comments. This agenda item is not asking the Executive Committee to adopt any new policies, rather this is a receive and file report to bring forward a summarization of the existing policies currently in place and/or requirements of the MSHCP. The goal in providing this information to the RCA Board and the public was to receive comments on where the policies and practices could be improved. This is the start of a conversation on how the processes can be improved for property owners while also adhering to the MSHCP.

Hector Casillas, Right of Way Manager, provided a presentation summarizing the Right of Way acquisition process. Since RCTC took over management of the RCA in January 2021, staff has carried forward the acquisition of 486 acres with a combined value of $13.5 million. The RCA acquisition activities are best divided into 3 categories.

Willing seller properties are acquisitions where property owners have offered their property for sale to the RCA, or they are listed on the open market. Once the RCA has determined the property fits within the criteria cells and the key objectives of the MSHCP, staff moves through the acquisition process. These properties are typically acquired for the appraised market value, however, there is some reasonable flexibility where staff would use an administrative settlement to acquire the property.

Grant funded properties are acquisitions that were included within a grant application. The RCA is currently managing the non-traditional Section 6 Grant and the Jurupa Mountains Conservation Grant. The process for these properties differs from willing sellers and the HANS process. These property acquisitions have strict deadlines and require coordination with other agencies. This acquisition type requires RCA staff to solicit letters from the property owners expressing an interest in selling their property to the RCA. Once the letter is received, RCA staff proceeds with obtaining an appraiser who is experienced and has been successful with the Department of General Services (DGS). A fair market value offer is prepared and sent to the property owner, if the offer is accepted, the appraisal report is sent to the California Natural Resources Agency or the Wildlife Conservation Board for a formal review. The typical acquisition process follows.

Habitat Acquisition Negotiation Strategy (HANS) property acquisitions are split into two sub-categories, development and non-development. For both sub-categories, the entire property or a portion of the property is deemed for conservation and must be acquired by the RCA after the Joint Project Review (JPR) is complete. These properties are typically acquired for the appraised market value, however, there is some flexibility similar to those of willing seller properties. Under a Development HANS, the RCA and property owner can enter into a 120-day negotiation period to acquire the property. Once an agreement has been reached, the close of escrow is determined by the purchase price and the availability of funding. Under the Non-Development HANS process, development of the property is not proposed, and the property is acquired based on a first come, first served basis as funding permits.

The Conflict Resolution Process for HANS property acquisitions is outlined in Section 6 of the MSHCP. RCA staff turns to this option when they are not able to reach an agreement during the negotiation period. The process includes mediation, arbitration, and appraisal review. Both mediation and arbitration are specific to the proposed development option of the property and the application of the MSHCP conservation criteria. The appraisal review involves the formal review by a third appraiser which has been mutually agreed on and reimbursed by RCA and the property owner. During the review process, the appraiser makes a recommendation as to which appraisal should be approved. In the event a recommendation cannot be made, the appraiser conducts their own appraisal within 90 days to establish fair market value of the property. The fair market value that is determined by the third appraiser is binding.

Ms. Mayer added that while these are the existing policies and processes that are currently in place, some of them are dictated by the MSHCP, and would be more difficult to alter than Board directed policies. The Board will need to consider how our processes are consistent or different for the separate types of acquisitions, it there are questions of equity, and if there is any interest in making modifications to the MSHCP process.

Vice Chair Hewitt asked for an explanation of the difference between mediation and arbitration in the conflict resolution process. Ms. Casillas explained that mediation includes a third-party mediator to assist in negotiations between both parties based on facts and appraisals from both sides. Steve DeBaun, legal counsel, added that arbitration is a dispute resolution process wherein there is a neutral third-party who makes a determination based on the facts. The main difference between mediation and arbitration when determining property value is mediation comes to a voluntary agreement, while arbitration is a finding by a neutral party.

Mr. Borel wanted to know if during the HANS process there any considerations for the type of appraisals that are done. Mr. Casillas noted that the appraisal must comply with the Yellow Book Requirements and the MSHCP. To ensure this, the RCA ensures the appraisers are qualified to deliver reports that comply with both. Once RCTC took over as the managing agency, appraisals began to be formally reviewed by another appraiser to determine if they comply with the Yellow Book Requirements prior to making an offer to the property owner.

Mr. E Sauls wanted clarification of the recommendation for this agenda item, as it states these policies are to be forwarded to the Board for final action and to note that these policies are missing examples other than the conflict resolution process that have been successful.

Board Member Ingram confirmed that the Yellow Book is for best and highest use of a property value at the time of determination. When RCTC took over as managing agency, they inherited the issues and deficiencies and have been working on bringing them forward to resolve them. There are inconsistencies between current Board policies and the MSHCP, which needs to be addressed. The RCA should consider reimbursements when an acquisition is dragged out several years due to lack of funding, as well as when appraisals are done and then sent to governing agencies that factor in constraints after the fact. When RCA staff comes to the table for negotiations, there are constraints as to where the money comes from, where it has to go, and how it needs to be used.

Board Member Sobek thanked Ms. Mayer for her preface of this item. The recommendation of this item states it is a receive and file, but with the discussion of the policies today, it was unclear whether the Executive Committee would be responsible for making recommendations or changes, or if that responsibility would fall to the Board. Ms. Mayer noted that that decision is up to this Executive Committee. The intent is this item was to start to gather information, and this presentation can be forwarded to the Board to continue the conversation or direction can be given to come back to the Executive Committee again prior to a Board discussion.

Board Member Sobek thought it would be beneficial to have a sit-down conversation with key players, stakeholders, RCA staff, and some Board Members to look at the issues that are occurring and attempt to make it a better policy with the restraints of the MSHCP taken into consideration. Ms. Mayer noted that there is supposed to be an RCA Stakeholder Committee, that has defined membership, including property owners. One of the priorities has been to reestablish that committee.

Board Member Ingram noted that he would be willing to participate in the Stakeholder Committee, to bring his institutional and historical knowledge with respect to the MSHCP. With the help of RCTC, there is sure to be reasonable solutions to the issues that have brought forward today.

Ms. Mayer restated that the RCA is intending to reinstate the Stakeholder Committee, which would be an appropriate place for conversation with property owners. The Joint Powers Authority is specific as to the membership on the committee. The RCA has grant funding that requires approval from the State of California, which is a key component for some property acquisitions. As mentioned previously, RCA staff requested the Department of General Services to conduct a workshop not just for RCA but for others in the state to talk about their processes, allowing for greater success in moving appraisals in a timelier manner. They have agreed to have an RCA specific workshop, which will be used to determine process improvements. Between coordination efforts at the state and federal level with the grants programs and coordinating with stakeholders locally, the RCA should be able to identify where policy improvements can be made and make policy recommendations for the Board.

Vice Chair Hewitt asked that the issues with these policies be resolved prior to brining this item back to the Executive Committee and then to the Board. Ms. Mayer noted that RCA staff will take the feedback from today and continue to gather input before coming back to the Executive Committee with more detailed information on recommendations for changes. Board Member Sobek concurred with brining this back to the Executive Committee at a later date.

Board Member Ingram stressed the importance of also doing an overall review of the MSHCP in addition to review of the acquisition processes.

Ms. Mayer noted that another conversation that needs to occur is when the RCA will use and what the priorities should be for grant funding. With the timeline that was recently given to the RCA at a meeting with the Wildlife Conservation Board, Department of Fish and Wildlife, and Department of General Services, the RCA needs to be strategic with the use of grant funding so it doesn't further delay the process for property owners.

At this time, Board Member Bash left the meeting.

1) Receive a presentation summarizing the Right of Way Acquisition Process; and
2) Forward to the Board of Directors for final action.

9. LEGISLATIVE UPDATE

David Knudsen, Legislative Affairs Manager, provided a legislative update for both state and federal activities. The state legislature is in the final stages of approving the state budget. While the legislature approved a balanced budget earlier this week, major changes involving funding will be facilitated by one or more budget junior bills in July or August, if revenue were to dramatically change. The approved budget included a $3.6 billion climate action package, but the specific allocation of those funds will be identified in subsequent bills. News of RCA's individual funding requests for land acquisition should be forthcoming.

The House Transportation and Infrastructure Committee approved the Invest Act, a 5-year comprehensive surface transportation legislation. Working with Representative Calvert's team, Legislative Affairs staff believes there is an opportunity in the Invest Act to add the Western Riverside County Refuge Bill. Both bills aim at delivering transportation infrastructure projects while meeting climate action policies.

Yesterday, a joint Press Enterprise op-ed, authored by Chair Johnson with RCTC Chair Jan Harnik and Representative Calvert, was published supporting Representative Calvert's bipartisan Refuge Bill. It makes the case that fixing bridges, alleviating traffic, addressing the housing shortage, and protecting the environment do not have to be conflicting priorities. This op-ed is being circulated widely with policy makers and officials in D.C. and Sacramento, demonstrating how conservation and infrastructure are inextricably linked. The Board is encouraged to read and share the op-ed as the RCA advocates for the Refuge Bill to be included in the Invest Act.

1) Receive and file an update on state and federal legislation; and
2) Forward to the Board of Directors for final action.

10. BOARD OF DIRECTORS / EXECUTIVE DIRECTOR REPORTS

Board Member Ingram thanked staff and Anne Mayer for all their efforts, despite issues and the steep learning curve.

Vice Chair Hewitt thanked Hector Casillas for the acquisition presentation as it was helpful to clear up some process issues.

Anne Mayer, Executive Director, congratulated Board Members as all cities and the county have approved the Nexus Study Update and Ordinance. The next steps include working with city and county staff on suggested changes they may have on the implementation manual, both administrative and technical.

Ms. Mayer brought up the prospect of returning to a regular meeting schedule for Board Member input, as was requested at last month's meeting. Currently, the Executive Order relating to remote meetings has been extended until the end of September. From an RCTC staff prospective, as there is one more meeting in July, the RCA should conduct that meeting in a virtual setting as it is rapidly approaching and there are details that need to be worked out with the Board Chambers. The RCA is dark in August, but if the Executive Committee desires, the RCA could start working towards in person meetings after Labor Day.

Vice Chair Hewitt expressed his desire to return to in person meetings in September.

Board Member Ingram proposed the idea of staggered meetings, utilizing both in person and virtual meetings, which would save the cities and RCA from travel reimbursements.

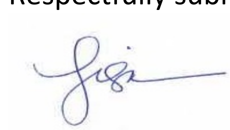
Board Member Sobek concurred with Board Member Ingram. Having a virtual option or staggered meetings to eliminate travel time when there are conflicting city council meetings.

Vice Chair Hewitt confirmed the July meeting would continue to be virtual and the September meetings would at least have a hybrid option.

11. ADJOURNMENT

There being no further business for consideration by the Executive Committee, Vice Chair Hewitt adjourned the meeting at 1:51 p.m. The next meeting of the Executive Committee is scheduled to be held on **Wednesday, August 18, 2021**, via Zoom.

Respectfully submitted,



Lisa Mobley
Administrative Services Manager/
Clerk of the Board

AGENDA ITEM 6B

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

DATE:	August 18, 2021
TO:	Executive Committee
FROM:	Jennifer Fuller, Financial Administration Manager
THROUGH:	Theresia Trevino, Chief Financial Officer
SUBJECT:	Western Riverside County Multiple Species Habitat Conservation Plan Fee Collection Reports for June and July 2021

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP) Fee Collection Reports for June and July 2021; and
2) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

The Western Riverside County MSHCP Local Development Mitigation Fee (LDMF) collections provide funding for the acquisition of additional reserve lands and related costs. RCA budgeted $10.5 million in LDMF collections for FY 2020/21 and $20 million for FY 2021/22. Other fees are contributed by Member Agencies and other jurisdictions for civic and infrastructure projects. RCA budgeted $490,000 for such contributions in FY 2020/21 and $559,000 for FY 2021/22.

Attached are the LDMF Collection and Civic/Infrastructure Contribution reports for June and July 2021, which reflect combined collections to date of $28,377,544 for FY 2021 and $857,469 for July 2021, the first month of FY 2022.

FISCAL IMPACT:

There is no fiscal impact to the receipt and file of this fee collection report.

Attachments:
1) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for June 2021
2) Western Riverside County MSHCP LDMF Collection and Civic/Infrastructure Contribution Report for July 2021

WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR JUNE 2021

Amounts subject to rounding

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS								
		REMITTED				EXEMPTIONS & FEE CREDITS		
City/County	Month	Residential Permits	Commercial Industrial Acres	Amount Remitted	Total FY 21 Year-to-Date	Residential Permits	Commercial Industrial Acres	Amount
City of Banning	April	1	1.24	$ 11,686	$ 314,180			
	May	72		160,848				
City of Beaumont	May	10		22,340	636,929			
City of Calimesa	May-No Activity			-	563,013			
City of Canyon Lake	May	3		6,702	24,574			
City of Corona	May		74.81	569,005	986,093			
City of Eastvale	May-No Activity			-	758,022			
City of Hemet	May	8		17,872	322,596			
City of Jurupa Valley	May	25	1.73	69,008	1,783,705			
	March-Add'l	14		31,276				
City of Lake Elsinore	May	20		30,405	254,448			
City of Menifee	May	186	14.28	393,298	2,972,574			
City of Moreno Valley	May	35		78,190	1,107,627			
City of Murrieta	May	2	35.35	273,340	509,006			
City of Norco	May-No Activity			-	2,234			
City of Perris	May	29	16.60	191,046	1,374,414			
City of Riverside	April-Rcvd July			-	325,126			
	May-Rcvd July			-				
City of San Jacinto	May-No Activity			-	541,475			
City of Temecula	May-Rcvd July			-	535,714			
	Roripaugh DA [1]			-		56		$ 131,147
City of Wildomar	April-Pending			-	111,700			
	May-Pending			-				
County of Riverside	June [2]	449	280.05	2,579,379	8,677,095			
	Total LDMF Collections	**854**	**424.06**	**$ 4,434,395**	**$ 21,800,525**	**56**	**0.00**	**$ 131,147**

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS			
			Total FY 21 Year-to-Date
City of Temecula	Trail Extension CG Creek	$18,178	$18,178
Flood Control and Water Conservation District	Bautista Creek Channel (Recharge Basin Expansion Stage 50)	52,687	52,687
Prior Civic and Infrastructure contributions from Member Agencies			331,287
	Total Civic/Infrastructure Contributions	**$ 70,865**	**$402,152**
	TOTAL JUNE 2021	**$ 4,505,260**	**$ 22,202,678**

[1] *Roripaugh Development Agreement dated 12/17/02. Project is exempt under Assessment District 161.*

[2] $553,975 of FY 2021 revenues to be collected in the future is not reflected in the amount remitted

WESTERN RIVERSIDE COUNTY MSHCP LDMF COLLECTION AND CIVIC/INFRASTRUCTURE CONTRIBUTION REPORT FOR JULY 2021

Amounts subject to rounding

LOCAL DEVELOPMENT MITIGATION FEE COLLECTIONS									
		REMITTED					EXEMPTIONS & FEE CREDITS		
City/County	Month	Residential Permits	Commercial Industrial Acres	Amount Remitted	Total FY 21 Year-to-Date	Total FY 22 Year-to-Date	Residential Permits	Commercial Industrial Acres	Amount
City of Banning	June-Rcvd Aug			$ -	$ 314,180	$ -			
City of Beaumont	June	56	84.875	770,663	1,407,592	-			
City of Calimesa	June	19	262.37	2,038,032	2,601,045	-			
City of Canyon Lake	June	4		8,936	33,510	-			
City of Corona	June	2	4.11	35,729	1,021,822	-			
City of Eastvale	June-Pending			-	758,022	-			
City of Hemet	June	731		1,633,054	1,955,650	-			
City of Jurupa Valley	June	134	15.30	415,662	2,199,367	-			
City of Lake Elsinore	June	6		13,404	267,852	-			
City of Menifee	June-Rsvd Aug			-	2,972,574	-			
City of Moreno Valley	June	41	10.44	171,001	1,278,628	-			
City of Murrieta	June	283	5.38	673,142	1,182,148	-			
City of Norco	June-Rsvd Aug			-	2,234	-			
City of Perris	June	46	10.00	178,824	1,553,238	-			
City of Riverside	April	41	6.75	117,636	494,078	-			
	May	23		51,316					
	June-Pending			-					
City of San Jacinto	June	26		58,084	599,559	-			
City of Temecula	May	6		9,384	545,098	-			
	June-Pending			-					
	Roripaugh DA [1]			-			23		$ 51,382
City of Wildomar	April-Pending			-	111,700	-			
	May-Pending								
	June-Pending			-					
County of Riverside	July	357	1.81	857,469	8,677,095	857,469			
	Total LDMF Collections	**1,775**	**401.03**	**$ 7,032,337**	**$ 27,975,392**	**$ 857,469**	**23**	**0.00**	**$ 51,382**

CIVIC AND INFRASTRUCTURE CONTRIBUTIONS				
			Total FY 21 Year-to-Date	Total FY 22 Year-to-Date
Prior Civic and Infrastructure contributions from Member Agencies			$402,152	$0
	Total Civic/Infrastructure Contributions	**$ -**	**$402,152**	**$0**
	TOTAL JULY 2021	**$ 7,032,337**	**$ 28,377,544**	**$ 857,469**

[1] *Roripaugh Development Agreement dated 12/17/02. Project is exempt under Assessment District 161.*

AGENDA ITEM 6C

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	August 18, 2021
TO:	Executive Committee
FROM:	Alicia Johnson, Senior Procurement Analyst Jose Mendoza, Procurement Manager
THROUGH:	Theresia Trevino, Chief Financial Officer
SUBJECT:	Single Signature Authority Report

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file the Single Signature Authority report for the fourth quarter ended June 30, 2021; and
2) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

Certain contracts are executed under single signature authority as permitted in the Riverside County Transportation Commission and Western Riverside County Regional Conservation Authority Procurement Policy Manual adopted in March 2021. The Executive Director is authorized to sign contracts for supplies, equipment, materials, public projects, and services that are less than $100,000 individually and in an aggregate amount not to exceed $300,000 in any given fiscal year.

The attached report details all contracts that have been executed through the fourth quarter ended June 30, 2021, under the single signature authority granted to the Executive Director. The unused capacity of single signature authority for services at June 30, 2021, is $150,000.

Attachment: Single Signature Authority Report as of June 30, 2021

SINGLE SIGNATURE AUTHORITY

AS OF June 30, 2021

CONTRACT #	CONSULTANT	DESCRIPTION OF SERVICES	ORIGINAL CONTRACT AMOUNT	PAID AMOUNT	REMAINING CONTRACT AMOUNT
	AMOUNT AVAILABLE March 31, 2021				
			$300,000.00		
21004	**Michael J. Francis, MAI**	**Appraisal and appraisal review services**	**50,000.00**	**0.00**	**50,000.00**
21005	**Mission Property Advisors**	**Appraisal and appraisal review services**	**50,000.00**	**0.00**	**50,000.00**
21010	**Integra Realty Resources - Los Angeles**	**Appraisal services for grant properties**	**50,000.00**	**0.00**	**50,000.00**
	AMOUNT USED		**150,000.00**		
	AMOUNT USED		**150,000.00**		
	AMOUNT REMAINING through June 30, 2021		**$150,000.00**		

Alicia Johnson	Theresia Trevino
Prepared by	Reviewed by

Note: Shaded area represents new contracts listed in the fourth quarter.

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AGENDA ITEM 6D

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	August 18, 2021
TO:	Executive Committee
FROM	Cheryl Donahue, Public Affairs Manager
THROUGH:	David Knudsen, Interim External Affairs Director
SUBJECT:	Quarterly Public Engagement Metrics Report, April-June 2021

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file report summarizing the Quarterly Public Engagement Metrics; and
2) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

One of the RCA's renewed priorities, resulting from the consolidation with the Riverside County Transportation Commission (RCTC), is to strengthen communication and education about the Multiple Species Habitat Conservation Plan and progress toward its completion. Following the agencies' consolidation in January 2021, the RCA's public engagement tools, including the website, social media channels, and newsletter, were transferred to the RCTC External Affairs Department to administer.

The External Affairs team prepared a Public Outreach Plan, which the RCA Board of Directors adopted in May. The Public Outreach Plan includes preparing Quarterly Public Engagement Metrics reports to present to the Board of Directors. This is the first report, based on the Public Outreach Plan. The quarterly reports are data-driven analytics designed to measure progress toward public engagement goals, analyze outreach efforts and campaigns, offer insight of audiences and their behaviors, and provide transparency of the outreach tools in use.

As noted in the Public Outreach Plan, the first year of outreach efforts feature a phased, deliberate approach of ramp-up activities to build upon previous efforts and to promote a two-way dialogue with identified audiences. The January-March quarter was used to research past practices, understand audiences, develop content, establish strategies, and gather baseline data.

The metrics provided in this report cover April-June 2021 and are a comparison to the January-March 2021 baseline data, prior to the adoption of the Public Outreach Plan. This initial report includes the following data sets:

1. Metrics for website audience and behaviors
2. Metrics for social media platforms: Facebook, Twitter, and Instagram
3. Metrics for *The Vista* newsletter

The data is summarized below and in a one-page graphic. Future metrics may be added to reports as warranted.

Website

The goal from the Public Outreach Plan is to increase website visitors by 375 per month during 2021-22.

1. From April to June, there were 9,534 website visits, a 2% increase from last quarter's 9,350 visits. Of these visits, 6,490 were unique users, an increase of 10% compared to the previous quarter's 5,892 unique users.
2. Most visitors (51.6%) accessed the website organically through a search engine. Others (37.5%) used direct referrals, either by typing in the URL or accessing it through an email. About 10% were referred by social media and other websites.
3. The majority of visitors reached the website via desktop versus mobile devices. The ratio was 65% for desktop and 35% for mobile.
4. The homepage is the most frequently visited page, followed this quarter by the Existing Reserves, RCA Maps, and Document Library pages.

Social Media

The goals from the Public Outreach Plan for 2021-22 are to increase Facebook followers from 249 to 1,000, increase Twitter followers from 28 to 112, and increase Instagram followers from 149 to 450. To date, the Facebook goal has been met, and growth is occurring on Twitter and Instagram. As part of the social media strategy, handles were aligned as @WesternRCA to promote consistency across platforms.

1. **Facebook**: At the end of the quarter, the Facebook page had 1,845 followers, a 541% increase over last quarter's 288 followers. The page had 11,420 forms of engagement, such as likes, comments and shares, a 2,658% boost from last quarter's 414 forms of engagement. Facebook also had 92,096 impressions. This was a very large increase – 4,140% – from last quarter's 2,172 impressions. The considerable increases in followers, engagement, and reach are due in part to a paid Facebook "Like" campaign. This campaign ran from April 12 to May 4 and targeted audiences interested in conservation, environmental issues, and construction in western Riverside County. While the Facebook goal has been achieved, we are continuing to post engaging content to grow our followers.
2. **Twitter**: The Twitter page showed a 68% rise in followers, from 28 to 47. Engagement increased by 121%, from 68 to 150. Impressions grew by 84% from 4,300 to

7,900. Engagement and reach are starting to grow on Twitter, with posts directed to agencies via tagging.

3. **Instagram**: Followers grew by 62%, from 149 to 242. Engagement improved significantly by 713%, from 112 forms of engagement to 992. Impressions grew 1,004% to 10,864, compared to last quarter's 984. Instagram engagement and reach have increased due to more posted content, including short videos.
4. **Social Media Public Sentiment**: This past quarter, overall sentiment was positive as engagement increased. Engagement was positive on posts related to Species of the Month, wildlife crossings on Route 60 Truck Lanes, and other posts on how the RCA and MSHCP functions.

<u>The Vista E-Newsletter</u>

The goals from the Public Outreach Plan for 2021-22 were to update the name and design of the electronic newsletter, to increase the distribution list to match the database contacts, to increase open rates to 35%, and to expand the link click-throughs to 20%.

1. The publication was renamed from "RCA Newsletter" to "*The Vista*" in February to reflect the RCA view toward the future. It now features a brighter design, more engaging writing, and video links. *The Vista* includes MSHCP education, Species of the Month, recreation highlights, transportation connections, and advocacy efforts.
2. Since the consolidation, the newsletter distribution list has increased significantly. At the end of the last quarter, there were 1,517 subscribers, a 38% increase from the previous quarter. On average, 24% of subscribers opened *The Vista*, and 3% clicked on the links. Efforts are under way to increase the open rates and link clicks by readers.

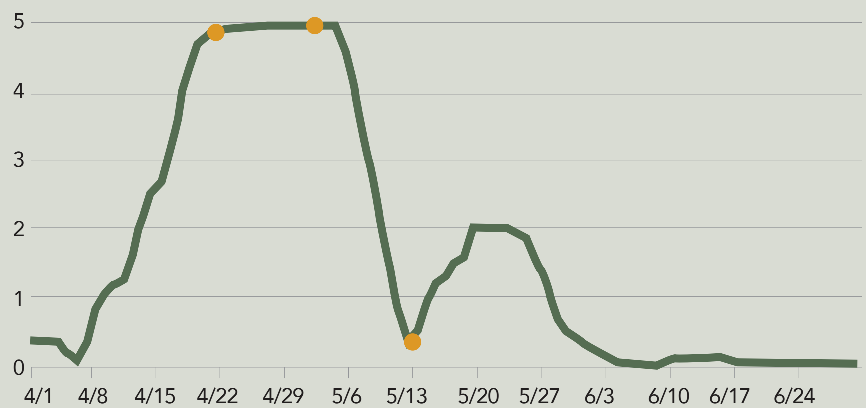
Attachment: RCA Public Engagement Metrics, April-June 2021

Regional Conservation Authority
Western Riverside County

Public Engagement Metrics: Q2

April-June 2021

Overall Social Media Sentiment



4/12 (+) Positive trend due to start of paid "Like" campaign
4/22 (+) Positive trend following Earth Day posts
5/2 (+) Positive trend following The Vista post
5/13 (-) Negative trend due to end of paid "Like" campaign

The Vista

+38%

Subscribers
1,517

Average Open
24%

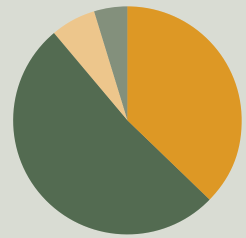
Average Click
3%

Web

9,534 Number of Sessions — +2%

6,490 Number of Unique Users — +10%

Top Channels



- Organic (51.6 %) - 2,481
- Direct (37.5%) - 3,417
- Social (6.4%) - 427
- Referral (4.5%) - 229

Top Pages Visited

*Home Page is the **#1** most visited page*

2	Existing Reserves
3	RCA Maps
4	Document Library

Desktop vs. Mobile Users

Social Media

Facebook

Followers	1,845	+ 541%
Engagement	11,420	+ 2,658%
Impressions	92,096	+ 4,140%

Twitter

Followers	47	+ 68%
Engagement	150	+ 121%
Impressions	7,900	+ 84%

Instagram

Followers	242	+ 62%
Engagement	992	+ 713%
Impressions	10,864	+ 1,004%

AGENDA ITEM 7

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	August 18, 2021
TO:	Executive Committee
FROM:	Jennifer Fuller, Financial Administration Manager Matthew Wallace, Deputy Director of Financial Administration
THROUGH:	Aaron Hake, Interim Regional Conservation Deputy Executive Director
SUBJECT:	MSHCP Mitigation Fee Implementation Manual Update

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Approve the update to the MSHCP Mitigation Fee Implementation Manual;
2) Approve the retroactive implementation to July 1, 2021; and
3) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

On December 7, 2020, the RCA Board of Directors approved the 2020 Nexus Study, revised Local Development Mitigation Fee (LDMF) Ordinance, Resolution, and the MSHCP Mitigation Fee Implementation Manual (Manual). Subsequently, all Member Agencies adopted an updated Ordinance and Resolution. As Member Agencies continue to review the Ordinance and the Manual, several questions have been raised.

Member Agencies have raised a legitimate fairness and equity concern about the current Ordinance's lack of exemption for room additions and renovations to existing residences that add "usable square footage", which results in the same per-unit residential fee charged to both such homeowners and new home builders. The previous sample ordinance adopted in 2004 (Implementing Agreement Exhibit G) exempted rehabilitation, remodeling, or minor additions to an existing Development Project.

Per the exemptions section of the current Ordinance as noted in the Manual Chapter II.D., additions and renovations to an existing Development Project which do not add "usable square footage" are exempt from the MSHCP LDMF. This exemption includes single family homes built to replace an existing mobile home.

Proposal

Staff proposes an urgent amendment to the Manual to create a new type of residential construction for residential additions and renovations which clarifies the LDMF owed for residential additions and renovations on residential properties where the LDMF has not already been paid. In this situation, the fee calculation will be the same as for Accessory Dwelling Units (ADUs).

The amendment also clarifies the definition of an ADU vs. residential additions and revisions.

Finally, staff proposes that the RCA Board make the new policy regarding residential additions and renovations retroactive to July 1, 2021, allowing Member Agencies to issue a full or partial refund to any eligible homeowner who paid the full per-unit fee under the new Ordinance.

Staff and legal counsel discussed the proposed Manual change and sought input from some Member Agencies. The changes recommended are the results of these discussions. Redline and clean versions of the proposed updated Manual are included as attachments to this staff report. The proposed revisions are found on pages 17, 18, and 20 of the Manual.

Staff will work with Member Agencies over the next several months to draft a comprehensive update to the Manual to present to the Board early in calendar year 2022 to address other questions raised.

FISCAL IMPACT:

Future LDMF payments will be lower than if the full LDMF fee was charged on all renovations or additions where the LDMF was not previously paid. As LDMF payments on additions or renovations were not collected prior to this Ordinance update, the difference is difficult to quantify.

Attachment:

1) MSHCP Mitigation Fee Implementation Manual Version 1 - Redline
2) MSHCP Mitigation Fee Implementation Manual Version 1 - Clean

Regional Conservation Authority
Western Riverside County

MSHCP Mitigation Fee Implementation Manual

September 2021 (Retroactive to July 2021)

RCA's MSHCP MITIGATION FEE IMPLEMENTATION MANUAL

The Western Riverside County Regional Conservation Authority ("RCA") was formed in 2004 to achieve one of America's most ambitious environmental efforts, the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP" or the "Plan"). As the nation's largest habitat conservation plan of its kind, the MSHCP strengthens the sustainability and quality of life in western Riverside County by nurturing economic development opportunities, alleviating traffic congestion, protecting natural resources, and improving air quality.

This MSHCP Mitigation Fee Implementation Manual ("Manual") provides direction to Local Jurisdictions under the MSHCP concerning their obligations under the MSHCP and Permits regarding the imposition, collection, accounting, remittance and calculation of the Local Development Mitigation Fee. The Local Development Mitigation Fee Program is administered by the RCA. The instructions in this Manual are intended to be consistent with and based on the MSHCP, the Implementing Agreement (IA), and the 2020 Nexus Study. The Manual is also intended to provide direction to Member Agencies concerning their Fee Ordinances and any related Resolutions. For questions and clarifications, please contact the RCA.

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I. Introduction

CHAPTER I. INTRODUCTION

A. Background on MSHCP and Implementation Agreements

The MSHCP, originally adopted in 2004, is a comprehensive, multi-jurisdictional Habitat Conservation Plan focusing on the permanent conservation of 500,000 acres and the protection of 146 species, including 33 that are currently listed as threatened or endangered. The MSHCP was developed in response to the need for future growth opportunities in western Riverside County while addressing the requirements of the State and federal Endangered Species Acts. The MSHCP serves as an HCP pursuant to Section 10(a)(1)(B) of the federal Endangered Species Act of 1973 as well as a Natural Communities Conservation Plan under the NCCP Act of 2001. The MSHCP streamlines these environmental permitting processes by allowing the participating jurisdictions to authorize “take” of plant and wildlife species identified within the Plan Area and has saved taxpayers more than $500 million by expediting the construction of more than 30 major freeway and road improvements in Riverside County valued at more than $5 billion. At the same time, Plan implementation provides a coordinated MSHCP Conservation Area and implementation program to preserve biological diversity and maintain the region’s quality of life.

The MSHCP and the associated Implementing Agreement (“IA”) and Incidental Take Permit collectively determine a set of conservation actions that must be taken to meet the terms of the Incidental Take Permit and benefit from the regulatory streamlining and other benefits of the MSHCP. This includes the identification of the responsible parties, including the responsibilities of the Local Permittees.[1] One of the key requirements of the MSHCP, IA , and Incidental Take Permit (consistent with the requirements of the federal Endangered Species Act) is the provision of adequate funding by Local Permittees to the Implementing Entity (the Western Riverside County Regional Conservation Authority[2]) (“RCA”) to conduct their portion of the conservation actions identified in the MSHCP.

B. Purpose of MSHCP and Local Development Mitigation Fee

The purpose of the Local Development Mitigation Fee (“LDMF”) is to contribute to the funding required to implement the MSHCP and, as a result, help maintain the Incidental Take Permit for new private and public development in western Riverside County under the federal and State Endangered Species Acts. Maintaining the Incidental Take Permit is necessary to allow for future development, and without the development community paying for the cost of the MSHCP, individual applicants would need to apply

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[1]Local Permittees include the western Riverside Cities, the County of Riverside, County Flood Control and Water Conservation District, County Regional Park and Open-Space District, County Department of Waste Resources, and Riverside County Transportation Commission.

[2]The Western Riverside County Regional Conservation Authority is a joint powers authority established in 2004 to implement the MSHCP.

independently for development approval under federal and State law if the project impacts a threatened or endangered species. The Federal Endangered Species Act specifically requires that the applicant for Incidental Take Permit "ensure that adequate funding for the [MSHCP] will be provided."[3] In addition, the LDMF helps provide the regional benefit of streamlined economic development in western Riverside County as well as the provision of contiguous open spaces that will serve as a community amenity to residents, workers, and visitors.

New development in the MSHCP Area will directly, indirectly, or cumulatively affect species and habitat in western Riverside County. Because of this, the County of Riverside along with several other agencies prepared and adopted the MSHCP to provide a regional, streamlined approach to benefit future development of all types in western Riverside County, including the development and improvements envisioned under the numerous General Plans and the Regional Transportation Improvement Program. The requirements of the MSHCP (habitat acquisition, management and monitoring, and program administration) are a direct result of the regional approach to mitigation that is engendered by all new development in the Plan Area under the pertinent environmental regulations. Consequently, the LDMF applies to all new development in western Riverside County whether or not the development is within a Criteria Cell.

The overall permit period was set at 75 years, ending in 2079. To cover ongoing management and monitoring costs beyond the duration when mitigation fees will be collected, the establishment of a non-depleting endowment is required. In other words, the endowment must be sufficient such that expected average interest revenues (after inflation and transaction costs) can cover the ongoing costs associated with management and monitoring in perpetuity. The endowment must be fully established by the end of the land acquisition period as it is assumed that no more mitigation fees will be collected after that time.

Finally, the LDMF is required by the MSHCP and the IA (IA §13.2(A); MSHCP § 8.5.1).

C. Public Projects

A number of Public Projects also pay fees related to the MSHCP in order to mitigate the impact of public projects in accordance with the terms of the IA. These different types of Public Projects and the fees related to them are discussed more in the later chapters of this Manual.

D. RCA Administration of Fee Program

Section 2 of the Member Agencies' Fee Ordinance provides that the RCA is appointed as the Administrator of the Fee Ordinance. The RCA is authorized to receive all fees generated from the LDMF within the Cities or County, and to invest, account for, and expend such fees in accordance with the provisions of the Plan, IA, and Fee Ordinances.

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[3] See Section 1539(a)(2)(B)(iii) of the federal Endangered Species Act.

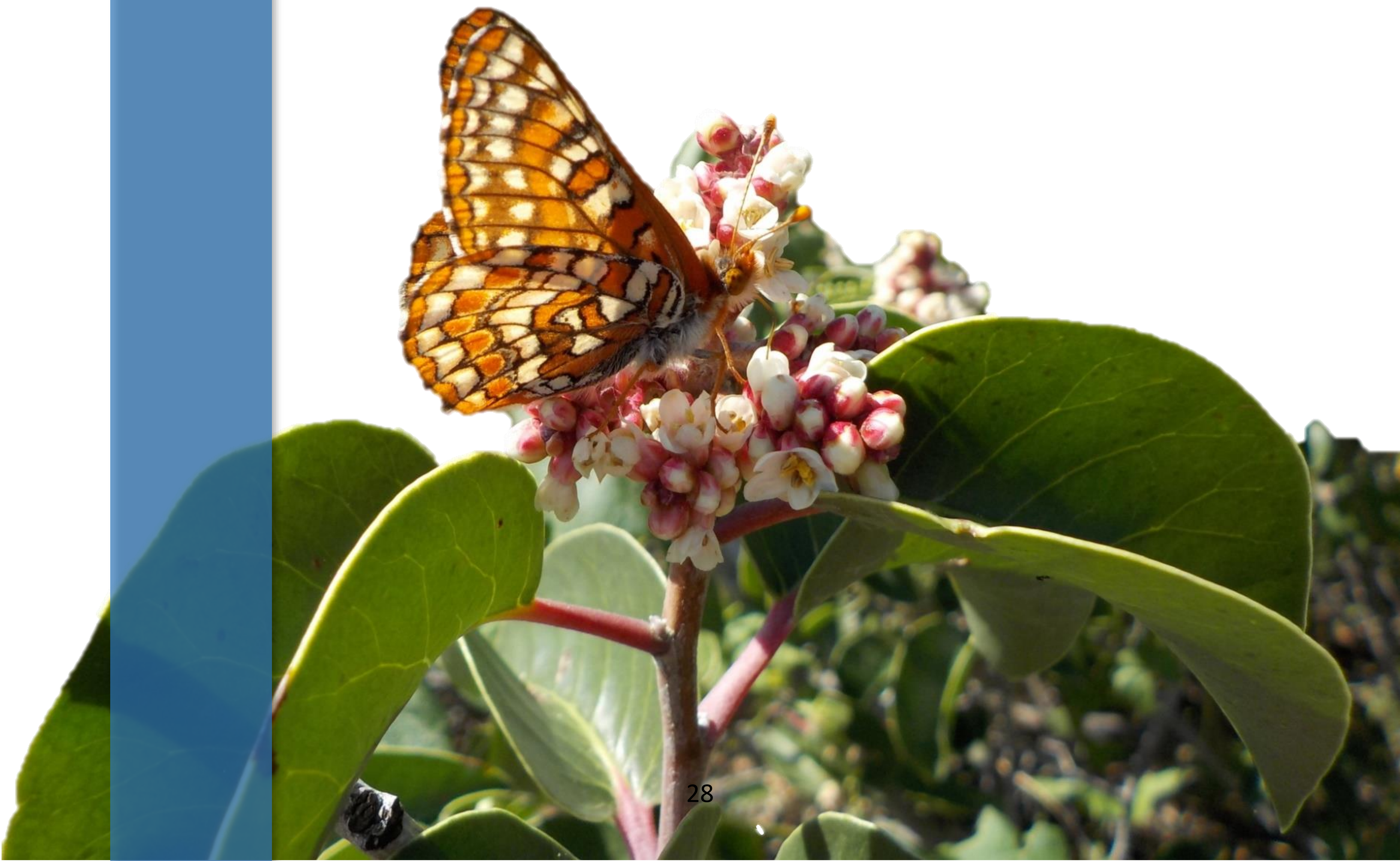
The RCA's Executive Director or his/her designee is authorized to act on behalf of the RCA as the Administrator of the LDMF Program. Furthermore, the RCA shall have the final determination regarding collection of the fee, the appropriate methodology to calculate the fee based on the information provided, and the interpretation of this Manual.

E. Purpose of Implementation Manual

The purpose of this Manual is to provide those jurisdictions and agencies that are participants in the MSHCP and IA with direction and policies for implementation of the LDMF Ordinance and Resolution adopted by each of the member jurisdictions. The Manual specifies implementation and responsibilities for the LDMF Ordinance and Resolution. The instructions in this Manual shall control the administration of the Local Development Mitigation Fee except where directly in conflict with the adopting Ordinance. Capitalized terms in this Manual shall have the same meaning as in the adopting Ordinance.

The RCA may, from time to time, amend this Manual as necessary to add additional direction, clarification, or guidance regarding implementation of the LDMF Ordinance.

II. Local Jurisdiction Instructions



CHAPTER II. LOCAL JURISDICTION INSTRUCTIONS

A. Legal Authority

Any capitalized terms used within this Manual which are not defined herein are the same as those defined in the LDMF Ordinances.

The MSHCP notes that “new development affects the environment directly through construction activity and cumulatively through population bases that result from Development.” As a result, the Member Agencies are required to implement a LDMF that was expected to represent one of the primary sources of funding for the implementation of the MSHCP. The LDMF has been developed in accordance with California Government Code Section 66000 et seq. (the “Mitigation Fee Act”) that “allows cities and counties to charge new development for the costs of mitigating the impacts of new development.” Fees charged to Public Projects have been imposed pursuant to the MSHCP IA.

B. Member Agency Obligations under MSHCP and Implementation Agreements.

As set forth in Section 11.1 of the MSHCP Implementing Agreement, the Member Agencies and the RCA have selected legal mechanisms to ensure implementation of the terms of the MSHCP and the IA.

1. **Enactment of Fee Ordinance and Resolution.** Pursuant to Sections 11.1.1 and 11.1.2 of the MSHCP IA, the Member Agencies shall adopt an Ordinance imposing the LDMF in substantially the form proposed by the RCA and the related Resolution within 90 days’ notice from the RCA. The Member Agencies shall also adopt any updated Fee Ordinance or Resolution within 90 days’ notice from the RCA.

2. **Imposition of Fee.**

    a. The LDMF will be paid no later than at the issuance of a building permit. Notwithstanding any other provision of the Municipal or County Ordinance, as relevant, no building permit shall be issued for any Development Project unless the LDMF applicable to such Development Project has been paid. The amount of the Fee shall be calculated in accordance with this Manual.

    b. In lieu of the payment of the LDMF as provided above, the Fee for a Development may be paid through a Community Facilities District, provided that such arrangement is approved by the RCA in writing.

3. **Remittance of Fees to the RCA**

a. Timing. The Member Agencies shall remit all LDMFs which are collected or should have been collected for any Development, as defined in the MSHCP, and contributions for Public Projects to the RCA on a monthly basis to be expended to fulfill the terms of the MSHCP. Payment to the RCA shall be made no later than 90 days after the LDMFs were collected. Payment to the RCA shall be made no later than 90 days after the construction contract for the Public Project is approved by the Member Agency.

b. Documentation and Records Requirements. The Member Agencies shall maintain complete and accurate records with respect to all LDMF revenues collected under their LDMF Ordinances and the calculation of contributions for all Public Projects. All such records shall be clearly identifiable.

c. Annual audits. The Member Agencies shall allow a representative of the RCA during normal business hours to examine, audit, and make transcripts or copies of such records.

4. **Imposition of CPI increases and other Fee Adjustments**

a. Automatic Annual Fee Adjustment. The RCA will provide the Member Agencies with an automatic annual fee adjustment for the fee established by Resolution based on the average percentage change over the previous calendar year set forth in the Consumer Price Index for the Riverside-San Bernardino-Ontario metropolitan area or a replacement CPI index issued by the federal government. The Member Agencies shall adopt a resolution implementing the fee adjustment no later than 60 days after receiving notice from the RCA.

b. Periodic Fee Adjustment. The fee schedule may be periodically reviewed, and the amounts adjusted by the RCA Board of Directors. By amendment to the fee Resolution referenced in the Fee Ordinance, the fees may be increased or decreased to reflect the changes in actual and estimated costs of the MSHCP including, but not limited to, management and monitoring, endowment, and acquisition costs. The adjustment of the fees may also reflect changes in the facilities required to be acquired, in estimated revenues received pursuant to the Fee Ordinances, as well as the availability or lack thereof of other funds with which to implement the MSHCP. The Member Agencies shall adopt a resolution implementing the fee adjustment no later than 60 days after receiving notice from the RCA.

C. Fee Credits and Fee Credit Agreements

1. Fee Credits

When a Member Agency determines that a request for a fee credit ("Fee Credit") is appropriate for on-site conservation which meets the standards in Section II below, the Member Agency shall notify the RCA's Executive Director ("Executive Director") in writing as part of the Joint Project Review ("JPR") Application. This notification shall include all relevant documentation related to the project, including project description, map, criteria cells, and designation of land proposed for conservation.

Fee Credits shall be applied only to the Project they are associated with in the JPR. Fee Credits shall only be provided to the underlying property owner or development company at the time the LDMF applies and are not transferrable to other entities, individuals, or development projects. Fee Credits shall not be applied retroactively. Fee Credits shall not be granted for on-site conservation that would not be considered developable land in the absence of the MSHCP. Some examples of such undevelopable land include that which could not be developed under the California Environmental Quality Act, land with topography consisting of 50% or greater slopes, land that is in a flood way, or land that could not be developed due to other local ordinance restrictions. In cases where both developable and undevelopable land are included in on-site conservation, only that land that is developable in the absence of the MSHCP shall be considered for Fee Credit.

2. STANDARDS. Fee credits shall meet the following standards:

a. Proposed conservation land must be within Criteria Cells and contribute to Reserve Assembly;

b. Conservation land must be of a size, configuration, and location such that it can be managed as part of the MSHCP Conservation Area;

c. In addition to the exclusions identified in Section I above, fuel modification/hazardous vegetation areas, manufactured slopes, storm drain or detention basin outfalls, constructed slope protection, utility easement areas, and Best Management Practices such as bioswales, infiltration trenches, and basins will be excluded from Fee Credits and will not be accepted for management by the RCA.

3. APPRAISAL

a. The RCA or Member Agency will obtain an appraisal for the property being offered in exchange for the Fee Credit. The cost of the appraisal will be borne by the entity that commissions the appraisal.

b. The appraisal shall be prepared by a licensed appraiser and meet the standards in Section 6.1.1 of the MSHCP. The property owner may select the appraiser from an approved list of appraisers used by the RCA.

4. DECISION.

a. Member Agency – Approval Authority up to $200,000 A Member Agency may approve Fee Credits up to $200,000. The RCA will assist Member Agency in making a determination on the Fee Credits if requested. Notwithstanding the above, the RCA is authorized to review and audit a Member Agency's approval of Fee Credits hereunder. In the event of a disagreement between RCA and a Member Agency regarding Fee Credits provided under this Section IV.A, the matter shall be referred to the RCA Board of Directors for consideration and further action.

b. Board of Directors – Approval Authority Over $200,000 All Fee Credits over $200,000 require approval of the RCA Board of Directors. The Executive Director shall place the Fee Credit request on the agenda for the next regularly scheduled meeting of the RCA Board of Directors for which an agenda has not been posted.

5. REPORTING. The Member Agency will provide the RCA with a copy of all Fee Credit agreements within 30 days of execution. The Executive Director shall provide monthly reports to the RCA Board of Directors of all notifications concerning Fee Credits.

6. CONVEYANCE OF CONSERVATION LAND. Conservation land associated with approved Fee Credits shall be conveyed in fee title to the RCA or another entity or organization lawfully authorized to acquire and hold conservation easements pursuant to Civil Code Section 815.3. The conservation land shall be free of encumbrances that could adversely impact the ability to manage the conservation land in accordance with the MSHCP. Conveyance of the conserved land must occur prior to the point in time when MSHCP Fee payment is due for the Project, and the Member Agency shall not issue occupancy permits for the Project until such time as the conservation

land has been conveyed and any Fee balance has been paid to the RCA. If a non-member agency holds title to the land, the entity must enter into a Management MOU with the RCA agreeing to manage the land in accordance with the MSHCP prior to issuance of a grading permit for the Project.

D. Fee Exemptions.

The following types of construction shall be exempt from the provisions of this Ordinance:

1. Reconstruction or improvements that were damaged or destroyed by fire or other natural causes, provided that the reconstruction or improvements do not result in additional usable square footage.

2. Rehabilitation or remodeling to an existing Development Project, provided that the rehabilitation or remodeling does not result in additional usable square footage.

3. Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

4. Junior Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

5. Existing structures where the use is changed from an existing permitted use to a different permitted use, provided that no additional improvements are constructed and does not result in additional usable square footage.

6. Certain Agricultural Operations as allowed by the MSHCP, as amended.

7. Vesting Tentative Tract Maps entered into pursuant to Government Code section 66452 et seq. (also, Government Code section 66498.1 et seq.) and Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq., prior to the effective date of a Member Agency's original LMDF Ordinance, wherein the imposition of new fees are expressly prohibited, provided that if the term of such a vesting map or development agreement is extended by amendment or by any other manner after the effective date of the Member Agency's original LDMF Ordinance, the Fee shall be imposed.

Except as exempted above, all projects are required to make a mitigation payment/ contribution and where no mitigation payment process is specified, the project will pay the updated per acre mitigation fee.

E. Project Area.

As defined in the Fee Ordinance, the “Project Area” means the area, measured in acres, within the Development Project including, without limitation, any areas to be developed as a condition of the Development Project. The Project Area shall be calculated in accordance with the following guidelines:

1. The Project Area shall be determined by the Member Agency staff based on the subdivision map, plot plan, and other information submitted to or required by the Member Agency.

2. An applicant may elect, at his or her own expense, to have a Project Area dimensioned, calculated, and certified by a registered civil engineer or licensed land surveyor. The engineer or land surveyor shall prepare a wet-stamped letter of certification of the Project Area dimensions and a plot plan exhibit thereto that clearly delineates the Project Area. Upon receipt of the letter of certification and plot plan exhibit, the Member Agency shall calculate the LDMF required to be paid based on the certified Project Area.

3. Where construction or other improvements on Project Area are prohibited due to legal restrictions on the Project Area, such as Federal Emergency Management Agency designated floodways or areas legally required to remain in their natural state, that portion of the Project Area so restricted shall be excluded for the purpose of calculating the LDMF.

F. Developer Refunds and Appeals

Under certain circumstances, such as double payment, expiration of a building permit, or fee miscalculation due to clerical error, an applicant may be entitled to a refund. Refunds will be reimbursed by the end of the fiscal year on a first come, first served basis, depending upon the net revenue stream. Refunds will only be considered reimbursable if requested within three (3) years of the original LDMF payment. In all cases, the applicant must promptly submit a refund request with proof of LDMF payment to the RCA if the RCA collected the LDMF, or if collected by a local jurisdiction, the refund request shall be submitted to that local jurisdiction, which will subsequently forward the request to the RCA for verification, review, and possible action.

1. **Expiration of Building Permits** If a building permit should expire, be revoked, or is voluntarily surrendered and is, therefore voided and no construction or improvement of land has commenced, then the applicant may be entitled to a refund of the LDMF collected which was paid as a condition of approval, less administration costs. Any refund must be requested within three (3) years of the original payment. The applicant shall pay the current LDMF in effect at the time in full if s/he reapplies for the permit.

2. **Double Payments** On occasion due to a clerical error, a developer has paid all or a portion of the required LDMF for project twice. In such cases, a refund of the double payment may be required if the request in made within three (3) years of the original payment.

3. **Balance Due** When LDMF is incorrectly calculated due to a Member Agency's clerical error, it is the Member Agency's responsibility to remit the balance due to the RCA. The error must be discovered within three (3) years of the original payment for the Member Agency to be held accountable. The amount due can be remitted through alternate methods agreed to by the RCA Executive Committee. If first approved through RCA staff in writing, the calculation is not subject to additional review.

G. Options for Administrative Add-On Costs to Fees

In the Fee Resolution mentioned in the Fee Ordinance, the Member Agencies are permitted to add an additional cost to the LDMF schedule to cover the Member Agency's costs of imposing, administering, collecting, and remitting the fees.

H. Public Project Fees

1. **City/County Roadways** The Member Agencies shall contribute 5% of the facility construction costs for city/County roads for impacts related to City/County roadways to the RCA as set forth herein.

   a. The 5% contribution shall apply to the construction of new roads, the widening of existing roads, or other improvements which increase roadway throughput.

   b. Maintenance projects, as defined herein, are exempt from the 5% contribution.

   c. The 5% does not apply to:

      i. Projects, or portions thereof, paid for by the existing Measure A (contribution already paid directly by RCTC); and

      ii. Projects, or portions thereof, paid for by TUMF (contribution already paid directly by WRCOG).

   d. The Member Agency will include the payment of MSHCP fees within its grant applications to the Federal Highway Administration.

   e. Only contributions for the Caltrans-funded portion of a Caltrans highway project shall be exempted from the Public

Project fee. Caltrans contributions are covered pursuant to MSHCP section 8.4.4 (pages 8-11 & 8-12).

2. **City/County Civic Projects** The Member Agency will contribute a per acre mitigation fee based upon the current commercial/industrial fee for these types of facilities.

3. **Riverside County Flood Control District Projects**. Riverside County Flood Control District will contribute mitigation through payment of 3% of total capital costs for a Covered Activity. Such payment may be offset through acquisition of replacement habitat or creation of new habitat for the benefit of Covered Species, as appropriate. Such mitigation shall be implemented prior to impacts to Covered Species and their habitats.

I. Monthly Payment.

Pursuant to Section 8.5 of the MSHCP, Sections 12.2.1 and 12.2.2 of the IA, and Sections 19.A and 19.B of the Joint Powers Agreement (JPA), the Member Agencies shall remit all LDMFs which are collected or should have been collected for any Development, as defined in the MSHCP, and contributions for Public Projects to the RCA on a monthly basis to be expended to fulfill the terms of the MSHCP.

1. Payment to the RCA shall be made no later than 90 days after the LDMFs were collected.

2. Payment to the RCA shall be made no later than 90 days after the construction contract for the Public Project is approved by the County or the City/County.

J. No Withholding.

The Member Agencies may not recover the costs of administering the provisions of their LDMF Ordinance using the LDMF revenues generated by them through said Ordinance.

K. Audit.

Pursuant to the JPA, the Member Agencies shall maintain complete and accurate records with respect to all LDMFs collected under their LDMF Ordinance and the calculation of contributions for all Public Projects. All such records shall be clearly identifiable. The Member Agencies shall allow a representative of the RCA during normal business hours to examine, audit, and make transcripts or copies of such records.

L. Late Payments.

Starting January 1, 2008, if a Member Agency fails to remit the monthly payment within 90 days as required in Section 2.0 above, any delinquent amounts will be assessed interest at the rate of the RCA's prevailing rate for invested funds. Notwithstanding the prior sentence, no interest shall be assessed on delinquent fees remitted prior to January 1, 2008.

M. No Effect on Withdrawal.

The obligations imposed under this Article on the Member Agencies shall not affect any more strict obligation imposed on each of them under Section 22.1 of the I A pertaining to withdrawal from the MSHCP.

N. Periodic Fee Adjustment.

The fee schedule may be periodically reviewed, and the amounts adjusted by the RCA Board of Directors; the LDMF may be increased or decreased to reflect the changes in actual and estimated costs of the MSHCP including, but not limited to, debt service, lease payments, and acquisition costs. The adjustment of the fees may also reflect changes in the facilities required to be acquired, in estimated revenues received pursuant to this Ordinance, as well as the availability or lack thereof of other funds with which to implement the MSHCP.

O. Automatic Annual Fee Adjustment.

In addition to the Periodic Fee Adjustment mentioned above, the RCA will provide the Member Agencies with an automatic annual fee adjustment for the fee established by this Ordinance based on the average percentage change over the previous calendar year set forth in the Construction Price Index for the Riverside-San Bernardino-Ontario metropolitan area.

P. Authority.

The RCA shall have final determination regarding the appropriate methodology to calculate the fee based on the information provided.

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III. Mitigation Payment Requirements

CHAPTER III. MITIGATION PAYMENT REQUIREMENTS

New private, public, and other development activity in western Riverside County must comply with the MSHCP, IA, Ordinances, and Resolutions to obtain permits and make the appropriate mitigation payment. This Chapter describes the mitigation payment mechanisms and formulae that apply to different types of projects. It first defines three broad project categories and then provides more detail on the different mitigation payment calculations that apply to different types of projects under these broad categories. The subsequent **Chapter IV** provides illustrative fee calculations for Private and Public Project examples to clarify the appropriate calculation of mitigation payments.[4] RCA staff is available to answer questions if there are questions about mitigation payment requirements for a specific project.

A. General Project Categories

All projects fall into one of three (3) general categories as described below. Local Permittees should first determine which general category any project falls under.

1. Private Projects

Private Projects include projects where the primary project purpose is for use by households, businesses, or other private entities (i.e. not accessible to the public except where allowed by private owner/ renter). These projects include homes, apartments, offices, industrial buildings, and retail stores, among others. This category also includes Private Projects that receive public support (e.g., support through direct public investments in infrastructure, ground leases of publicly owned land, or direct investment of public dollars in projects such as affordable housing).

Private Projects often require the development of public infrastructure, improvements, and amenities (e.g., streets, parks, and community buildings) by the project developer. In these cases, the Private Project developer will be responsible for making payments for the private and public components of the project. As discussed in more detail in subsequent sections, the mitigation fee payment calculation for privately developed public infrastructure, improvements, and amenities depends on the type of project (residential versus non-residential) and the nature and role of the improvements (whether they solely serve project residents or serve a broader community).

2. Public Projects

Public Projects include projects whose primary goal is to provide publicly accessible/ useable infrastructure, improvements, or other amenities. Public Projects include a broad range of project types, including transportation, flood control, water, wastewater, stormwater, parks, community centers and other public buildings, among others.

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[4] All projects are required to make mitigation payments, except where specifically exempted in the Fee Ordinance.

Some Public Projects will involve the private sector. Private sector involvement could be through design, construction, operation, and/or funding. For mitigation purposes, these projects are considered Public Projects and are treated the same from a mitigation perspective.[5]

3. Participating Special Entities (PSE) Projects

Some types of projects can obtain the MSHCP benefits of permit streamlining by participating as Participating Special Entities ("PSE's"). This is a third category of project and its mitigation payment requirements are described separately, though in many ways PSE projects are treated similarly to Public Projects.

B. Private Projects

This section categorizes the different types of Private Projects and the associated mitigation payment requirements. Private project mitigation payments are determined by the MSHCP LDMF for the current fiscal year and project characteristics. Chapter IV provides illustrative examples of different types of Private Projects to further clarify and support the calculation of the appropriate mitigation payment.

1. Private Project Types

Private Projects are further distinguished into three (3) types (along with some sub-types). In all cases, mitigation occurs through mitigation fee payment, though as described further below the mitigation fee type and calculation varies for these different types.

a. Non-Residential

The non-residential category of Private Projects encompasses the full and broad range of Private Projects that do not incorporate residential development. Uses include all commercial, industrial, and any other private non-residential projects.

b. Residential

The residential category of Private Projects covers the full range of residential development projects, including, but not limited to, residential subdivisions, apartment complexes, infill residential projects, affordable housing projects, single homesite developments, ~~and~~ Accessory Dwelling Units ("ADUs"), and Additions and Renovations. Mixed-use Private Projects (projects that combine residential and commercial/ industrial uses) are addressed distinctly, as described below.

5 As described above under Private Projects and explained in more detail below, when public infrastructure/ improvements/ amenities are part of a Private Project, the mitigation for the public part of the Private Project is incorporated into the Private Project mitigation requirement.

Because of the variation in the type and extent of public infrastructure, improvements, and amenities developed as part of private residential projects, distinctions between different types of residential projects are required. Distinctions are also required as State law limits and specifies the application of mitigation fees to ADUs.

- **Type I. Residential Development with Resident-Serving Public Improvements Only.** Residential projects whose public infrastructure, improvements, and amenities only serve project residents (e.g., in-tract roads, resident clubhouses, pocket parks, and parking for project resident/ guest use) and do not provide broader community access or benefits.

- **Type II. Residential Development with Community-Serving Public Improvements.** Residential projects that include the development of public infrastructure, improvements, and amenities that serve more than project residents alone; e.g., backbone infrastructure such as roads that serve beyond the project residents or parks and amenities that serve more than just the new residential units.

- **Type III. Accessory Dwelling Units**. State law restricts the imposition of mitigation fees on ADUs of less than 750 square feet and provides a formula for ADUs above this size. ADUs are considered a separate dwelling unit. At the time this manual was adopted, Government Code 65852.2(f)(3)(A) governed the fee for ADUs. Any amendments to this code shall therefore amend the methodology for calculating the LDMF on ADUs.

- **Type IV. Additions and Renovations.** The LDMF fee shall be paid for residential additions and renovations that add square footage beyond what currently exists on the property, if the LDMF was not previously paid on the property. The LDMF will be calculated by applying the same methodology used for Type III Accessory Dwelling Units. If the LDMF fee was previously paid on the residential property, no additional fees are required for additions or renovations to the main home even if additional square footage is added.

c. Mixed-Use Projects

The mixed-use category of Private Projects encompasses projects that include private residential and private non-residential uses. The mixed-use project category is divided into two types because of the two distinct mixed-use project forms – horizontally mixed-use and vertically mixed-use.

- **Type I. Horizontally Mixed-Use Projects.** Mixed-use projects where a distinct portion of the project land area is developed as residential and a distinct portion as non-residential. For example, a project that includes a residential subdivision and neighborhood shopping center.

- **Type II. Vertically Mixed-Use Projects**. Mixed-use projects where one or more land use is developed vertically above another. For example, a project where apartment units are developed above ground floor retail.

2. Private Project Mitigation Fee Schedule

The updated 2020 Nexus Study developed a consistent per gross acre mitigation fee. For residential projects, this per gross acre fee was then translated into per residential unit fees for three different residential development density categories (to allow for a continuation of the existing fee structure). The mitigation fee schedule is shown in Table 3-1 and includes the mitigation fees provided under the updated 2020 Nexus Study (actual fee levels will vary with fee phase-in and annual adjustments).

Table 3-1: Updated Fee Levels (effective January 1, 2022)

Development Type		Fee	
Residential Development			
Low Density	(fewer less than or equal to 8.0 units per Gross Residential Project Acre)	$3,635	per Unit
Medium Density	(between 8.0 and 14.0 units per Gross Residential Project Acre)	$1,515	per Unit
High Density	(more than 14.0 units per Gross Residential Project Acre)	$670	per Unit
Non-Residential Development			
Commercial/ Industrial/ Non-Residential Mitigation Fee[1]		$16,358	per Gross Project Acre

[1] The per gross acre also applies to the public components to private projects and to certain types of public and PSE Projects.

Private Project Mitigation Fee Calculations by Project Type

The table below shows the mitigation payment approach for residential projects.

Table 3-2: Mitigation Payment Approach for Residential Projects

PRIVATE PROJECT MITIGATION PAYMENT APPROACH - RESIDENTIAL

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF RESIDENTIAL PROJECTS *

Residential Developments - Type I
Residential Development with Resident-Serving Public Improvements Only

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. Type I Residential Development cannot include any public improvements that serve beyond the project residents (i.e. only resident-serving public improvements; not "community-serving" public improvements)

Residential Developments - Type II
Residential Development with Community-Serving Public Improvements

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of community-serving Public Improvements x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. Type II Residential Development includes "Community-serving" Public Improvements that serve beyond the project residents and are not covered by the per residential unit mitigation fee
3. Gross Project Acres = Gross Residential Project Acres + Gross Community-Serving Public Improvement Acres

Residential Developments - Type III & IV
Development of an Accessory Dwelling Unit (ADU) or Additions/Renovations

Fee Calculation:
Fee Payment for ADUs or Additions/Renovations of less than 750 square feet
= $0
Fee Payment for ADUs or Additions/Renovations of 750 or more ~~than 750~~ square feet
= Per Unit Mitigation Fee for Appropriate ~~Low~~ Density Category x (ADU or Addition/Renovation square feet / Primary (Current) Residence square feet)

Notes:
1. California Government Code 65852.2(f)(3)(A) (as of September 13, 2021) provides the basis for calculating fees on ADUs. Jurisdictions should monitor any amendments to this state code or other state laws that govern fees on ADUs.
2. The above code ~~State law~~ does not allow charging of mitigation fees to ADUs of less than 750 square feet
3. The above code ~~State law~~ provides the formula for calculating fee payments by larger ADUs
4. Density Category = Total Lot Square Footage/1 acre.
5. Fees Previously Paid - If the LDMF fee was previously paid on the residential property, no additional fees are required for additions or renovations to the main home even if additional square footage is added.
6. Fees Not Previously Paid - The LDMF shall be paid for residential additions or renovations if the LDMF was not previously paid on that property. The fee is calculated using the state code for ADUs.

* The term "Public Improvements" is used as a collective term for all Public Infrastructure, Improvement, and Amenities.

The table below shows the approach for non-residential projects and mixed-use projects.

Table 3-3: Mitigation Payment Approach for Non-Residential and Mixed-Use Projects

MITIGATION PAYMENT FORMULA FOR NON-RESIDENTIAL AND MIXED USE PROJECTS *

Non Residential Projects
All Non-Residential Projects

Fee Calculation:
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Notes:
1. Gross Project Acres include all project acres including non-residential development areas and all associated project acreage (i.e. including all parking, landscaping, public improvements etc.)

Mixed-Use Project - Type I
Horizontally mixed-use project with residential and non-residential private development

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of Community-serving Public Improvements x Per Gross Acre Fee
plus Gross Acres of Non-Residential Development x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. All gross project acres outside of the Gross Residential Project Acres contribute through the per gross acre fee

Mixed-Use Project - Type II
Vertically mixed-use project with residential and non-residential private development

Fee Payment is the higher of two (2) calculations:

Calculation 1: Fee Payment = Gross Project Acres x Per Gross Acre Fee

Calculation 2:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of Community-serving Public Improvements x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Project Residential Acres
(Gross Residential Acres = Gross Project Acres minus Community-serving Public Improvements Acres)

* The term "Public Improvements" is used as a collective term for all Public Infrastructure, Improvement, and Amenities.

Key definitions associated with the above mitigation formula table include:

- **Gross Project Area/ Acres**. This is the total or gross areas of the project. This overall acreage can only be reduced under unique circumstances.[6]

- **Gross Residential Area/ Acres**. This is the total area of the project dedicated to residential land uses and includes residential buildings as well as "Project Resident-Serving" Infrastructure/ Improvements/ Amenities.

- **Project Resident-Serving Infrastructure/ Improvements/ Amenities.** Infrastructure/ improvements, and amenities that only serve project residents and include, but are not limited to, roads, parks, and non-residential buildings that only serve project residents.

- **Gross "Community-Serving" Area/ Acres**. This is the area of residential projects that provide infrastructure, improvements, and amenities that go beyond only serving project residents and hence are "community-serving". This includes, but is not limited to, roads that serve multiple projects, parks that serve more than one residential project, parking that serves other uses/ developments etc. The acreage associated with these improvements/ amenities are part of the gross project acreage but distinct from project resident-serving improvements/ amenities and the gross residential area.

For further clarification, mitigation fee payment calculations for illustrative Private Projects are provided in **Chapter IV**.

C. Public Projects

This section categorizes the different types of Public Projects and the associated mitigation payment requirements. The MSHCP, Implementing Agreement, and other documents established the mitigation system for Public Projects that includes a mix of approaches typically tied to a percent of capital cost or the adopted per gross acre mitigation fee for non-residential uses. The mitigation payments for road projects are more complex as certain funding sources (Measure A and TUMF) provide direct mitigation payments for the portions of transportation projects they fund. **Chapter IV** provides illustrative examples of selected Public Projects to further clarify and support the calculation of the appropriate mitigation payment.

1. Public Project Types

Public Projects include the full range of projects that provide public infrastructure, improvements, or amenities. This includes, but is not limited to, public roads, parks, libraries, administrative facilities, jails, courts, and flood control projects among others. As

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6Specifically, the MSHCP exempts flood control areas that cannot be developed from mitigation fee calculations.

described in the following section, certain public/ quasi-public improvements are covered as Participating Special Entity projects (the third major project category type). These include public (and private) utility districts/ companies, School Districts, Special Districts, and other quasi-public entities.

Per the MSHCP, Implementing Agreement, and other documents, the mitigation payment requirement/ obligation varies between the following Public Project types.

- **City/ County Road Projects**. Includes all City and County road projects.

- **City/County Civic Projects**. Includes all non-road City and County projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, and all other facilities that serve the public.

- **Riverside County Flood Control District Projects**. Includes all Riverside County Flood Control District projects.

As noted in the MSHCP and the Implementing Agreement, mitigation contributions for Caltrans Projects are intended to be covered through a combination of Measure A funds, 3,000 acres of land dedication, and support for the endowment and ongoing positions. Mitigation for federal projects (e.g., development of a federal building) occurs through the Section 7 consultation process of the Federal Endangered Species Act; in some cases, these projects might be required to provide mitigation similar to those of other Public Projects under the MSHCP.

2. Mitigation Requirements and Transportation Funding Sources

For transportation projects, the mitigation payment calculations are more complicated due to the distinct mitigation payments/ contributions directly incorporated into certain types of transportation funding, as described below:

- **TUMF Funding**. The TUMF includes a small component tied to the mitigation of the portions of projects funded by TUMF revenues. This portion of the TUMF is passed directly from WRCOG to the RCA. As a result, the proportion of transportation projects that are funded by TUMF revenues are netted out from transportation project mitigation payments (described in more detail below).

- **Measure A Funding**. A portion of the Measure A sales tax revenues was collected and provided to the RCA to support MSHCP implementation. This contribution represented the mitigation payment for the portions of projects funded with Measure A dollars. As a result, the proportion of transportation projects that are funded by Measure A funds are netted out from transportation project mitigation payments (described in more detail below).

- **Federal Funding**. Unlike TUMF and Measure A funding, direct mitigation funding has not been provided for the portions of transportation projects that are federally funded. As a result, federal funding is not excluded from the mitigation payment calculation. It is recommended that Local Permittees incorporate the mitigation payment associated with federally funded portions of their transportation projects into any grant applications for federal transportation funding.

3. Public Project Mitigation Payment Approaches

There are two primary approaches that underlie the calculation of Public Project mitigation payments, including:

- **Per Gross Acre Fee Payments**. For some Public Projects, the required mitigation payment is based on the application of the per gross acre fee to the gross project acres. The per gross acre fee is the same fee that applies to Private Projects. The fee will vary each year/ periodically and is calculated at $16,358 per Gross Project Acre in the updated 2020 Nexus Study.

- **Percent of Construction Costs**. For some Public Projects, the mitigation payment requirement is three (3) percent or five (5) percent of total construction costs (described in more detail below).

4. Public Project Mitigation Fee Calculations by Project Type

The table below shows fee calculations for different Public Projects types.

Table 3-4: Mitigation Payment Approach for Public Projects

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF PUBLIC PROJECTS

City/ County Road Projects
All City and County Road Projects

Fee Calculation:
Fee Payment = 5% x Total Construction Costs

Notes:
1. Applies to all new road projects, all road widening projects, and other road investments that are not maintenance efforts.
2. The proportion of total project costs covered by TUMF funding and Measure A funding is discounted from the total construction costs (where applicable) prior to fee payment calculation.
3. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

City/ County Civic Projects
All City and County (non-road) public projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, or other facilities that serve the public.

Fee Calculation:
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Notes:
1. No exceptions unless specifically noted in the Ordinance.
2. School District, Special District, and certain other public projects are covered as PSE's.

Riverside County Flood Control District Projects
All Riverside County Flood Control District projects

Fee Calculation
Fee Payment = 3% x Total Construction Costs

Notes
1. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

D. Participating Special Entity Projects

Participating Special Entities ("PSE's") are entities that are not formally covered under the MSHCP but are allowed to obtain the same MSHCP streamlined permitting by making the appropriate mitigation payments. This section categorizes the different types of PSE projects and the associated mitigation payment requirements. The mitigation payment system for PSE projects is similar to the one for public projects and includes a mix of approaches typically tied to percent of construction costs or the adopted per gross acre mitigation fee for non-residential uses.

1. PSE Project Types

Participating Special Entities includes entities/ agencies such as public and private utility districts/ companies, School Districts, Special Districts, and Quasi-Public entities, among others. Public water districts, private water companies, telecommunication companies, Investor Owned Utilities (IOU's), Schools, Colleges, and Universities would all fall in this project category.

The mitigation payment requirement/ obligation varies between the following Public Project types.

- Non-Linear Projects. Includes all projects that are non-linear in form.
- Linear Projects. Includes all linear projects with differentiation in payment amount between permanent and temporary projects.

2. PSE Mitigation Payment Approaches

There are two primary approaches that underlie the calculation of Public Project mitigation payments, including:

- Per Gross Acre Fee Payments. For non-linear Public Projects, the required mitigation payment is based on the application of the per gross acre fee to the gross project acres. The per gross acre fee is the same fee that applies to Private Projects. The fee will vary each year/ periodically and is calculated at $16,358 per Gross Project Acre in the updated 2020 Nexus Study.
- Percent of Construction Costs. For linear projects, the mitigation payment requirement is 5 percent of total construction costs for permanent impacts and three (3) percent of total construction costs for temporary impacts.

3. PSE Project Mitigation Fee Calculations by Project Type

The table below shows fee calculations for different PSE project types.

Table 3-5: Mitigation Payment Approach for PSE Projects

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF PSE PROJECTS

Non-Linear Projects
All PSE projects that are not linear in form

<u>Fee Calculation:</u>
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Linear Projects - Permanent Impacts
All PSE projects that are linear in form and permanent

<u>Fee Calculation</u>
Fee Payment = 5% *x* Total Construction Costs

Linear Projects - Temporary Impacts
All PSE projects that are linear in form and temporary

<u>Fee Calculation</u>
Fee Payment = 3% *x* Total Construction Costs

<u>Notes</u>
1. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

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IV. Mitigation Payment Examples

CHAPTER IV. MITIGATION PAYMENT EXAMPLES

This chapter provides illustrative fee calculations for examples of Private and Public Projects. Building off the comprehensive description of mitigation requirements and formulae by project type in **Chapter III**, this chapter provides fee calculations for an illustrative set of projects. Illustrative examples were developed for a range of circumstances and are designed to help Local Permittees identify the appropriate approach for estimating mitigation payments. The examples included in this chapter are for illustration purposes only. In the event of a conflict between these examples and the Fee Ordinance of the applicable City/County, the Fee Ordinance shall control the administration of the Local Development Mitigation Fee. Please contact RCA staff if you are unclear on how to conduct the mitigation payment calculation for a particular project.

A. Private Projects: Residential/Mixed Use Examples

This section contains six (6) examples of private development projects, including four (4) residential projects and two (2) mixed-use projects. More specifically, the include:

- Example 1: All Residential – Low Density
- Example 2: All Residential – Low Density **–** including Backbone Road Construction
- Example 3: All Residential – High Density - including Backbone Road Construction
- Example 4: All Residential – Combination of Densities
- Example 5: Horizontal Mixed Use – Residential/ Commercial – including Backbone Road Construction
- Example 6: Vertical Mixed Use – Residential/ Commercial

These examples are not intended to be all inclusive but rather give permittees guidance on calculating the mitigation fee payment given different project types and characteristics. Included in each example is a narrative of the example project, a figure representation of the project layout, the development program description, and the mitigation fee calculation. No stand-alone commercial project examples are included as the application of the per gross acre mitigation fee to the gross project acres is universal for all non-residential Private Projects.

Example 1 - All Residential – Low Density

Residential project to be developed on a total of ten acres (area inside red boundary). The project will include residential units, a community building/ area for the residents of the development (project residents only), and streets within the development (in-tract streets). All roads leading to the development have already been built and do not require investments by the developer. A total of 50 residential units are planned within the ten gross acres, resulting in an average residential density of five units per acre. This represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 1-1), the development program data (Table 1-1), and mitigation payment calculation (Table 1-2) below.

Figure 1-1: Illustrative Project Layout

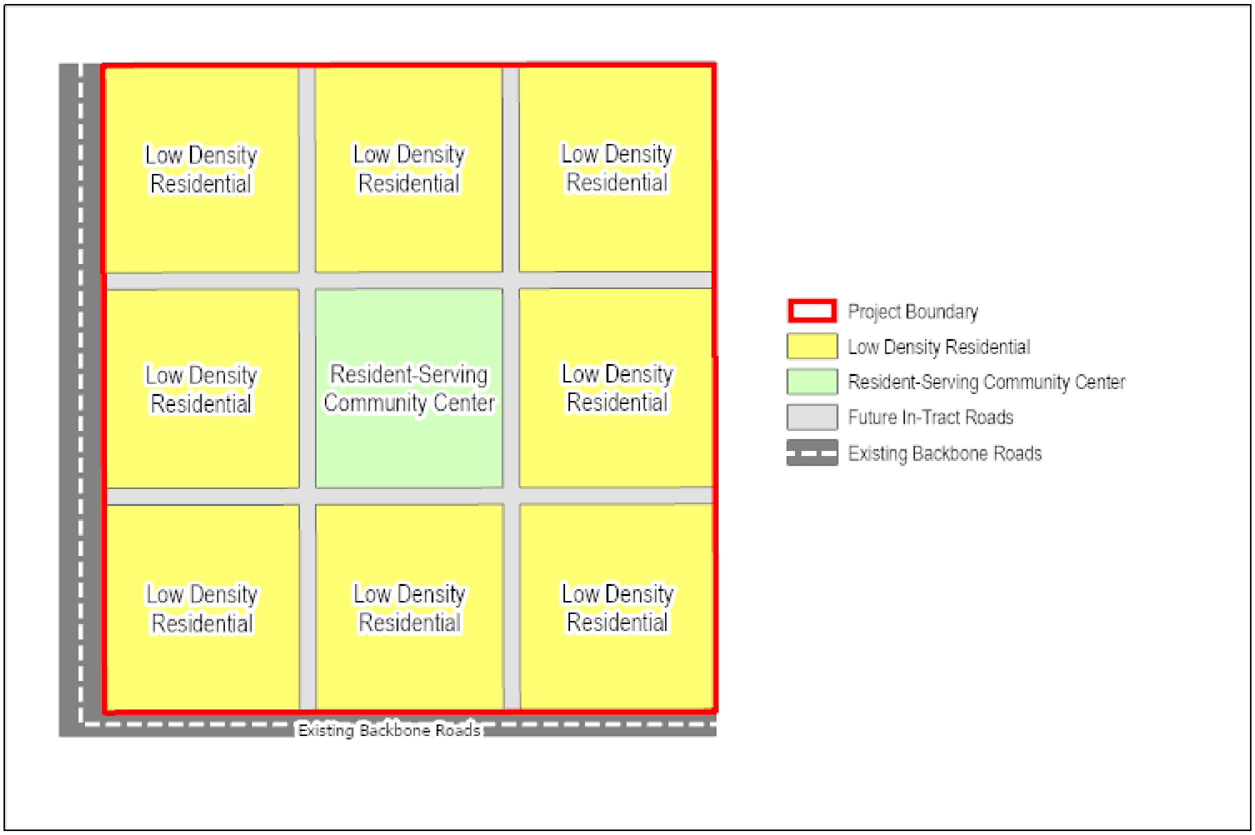

Table 1-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**10**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 1-2: Mitigation Fee Payment Calculation

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	50 units	$3,635 (low density)	$181,750
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$181,750**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

<u>Residential Development</u>		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
<u>All Other Development</u>	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 2 – All Residential – Low Density – Including Backbone Road Construction

Residential project to be developed on a total of 12.5 acres (inside red boundary). The project will include residential units, a community building/ area for the residents of the development (project residents only), streets within the development (in-tract streets), and new streets leading to the project (backbone/ community-serving streets). The member agency has required the builder to construct backbone roads as a condition of the permit. The backbone roads will be built on an additional 2.5 acres of land distinct from the 10 acres that will incorporate the residential development and project resident-serving improvements/ amenities. A total of 50 residential units are planned within the 10 gross acres (gross residential acres) that exclude the backbone/community-serving infrastructure. This results in an average residential density of five units per acre and represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 2-1), the development program data (Table 2-1), and the mitigation payment calculation (Table 2-2) below.

Figure 2-1: Illustrative Project Layout

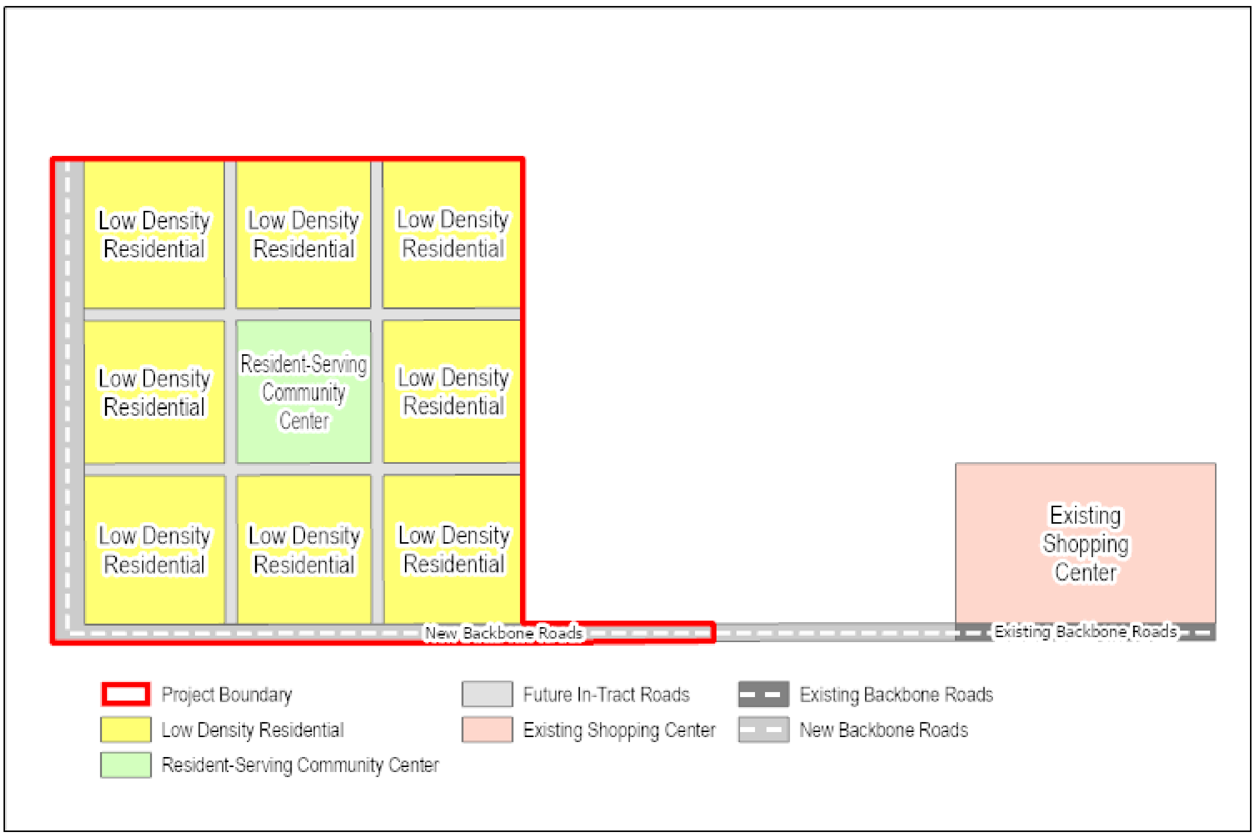

Table 2-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**12.5**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	2.5	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 2-2: Mitigation Payment Calculation

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	50 units	$3,635 (low density)	$181,750
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	2.5 acres	$16,358	$40,895
Total Mitigation Fee Payment (5)			**$222,645**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

<u>Residential Development</u>		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
<u>All Other Development</u>	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 3 – All Residential – High Density – Including Backbone Road Construction

Residential project to be developed on a total of 12.5 acres (inside red boundary). The project will include residential units, a community building/area for the residents of the development (project residents only), streets within the development (in-tract streets), and new streets leading to the project (backbone/ community-serving streets). The member agency has required the builder to construct backbone roads as a condition of the permit. The backbone roads will be built on an additional 2.5 acres of land distinct from the 10 acres that will incorporate the residential development and project resident-serving improvements/ amenities. A total of 200 residential units are planned within the 10 gross acres that exclude the backbone/ community-serving infrastructure. This results in an average residential density of 20 units per acre and represents a high-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 3-1), the illustrative development program data (Table 3-1), and the mitigation payment calculation (Table 3-2) below.

Figure 3-1: Project Layout

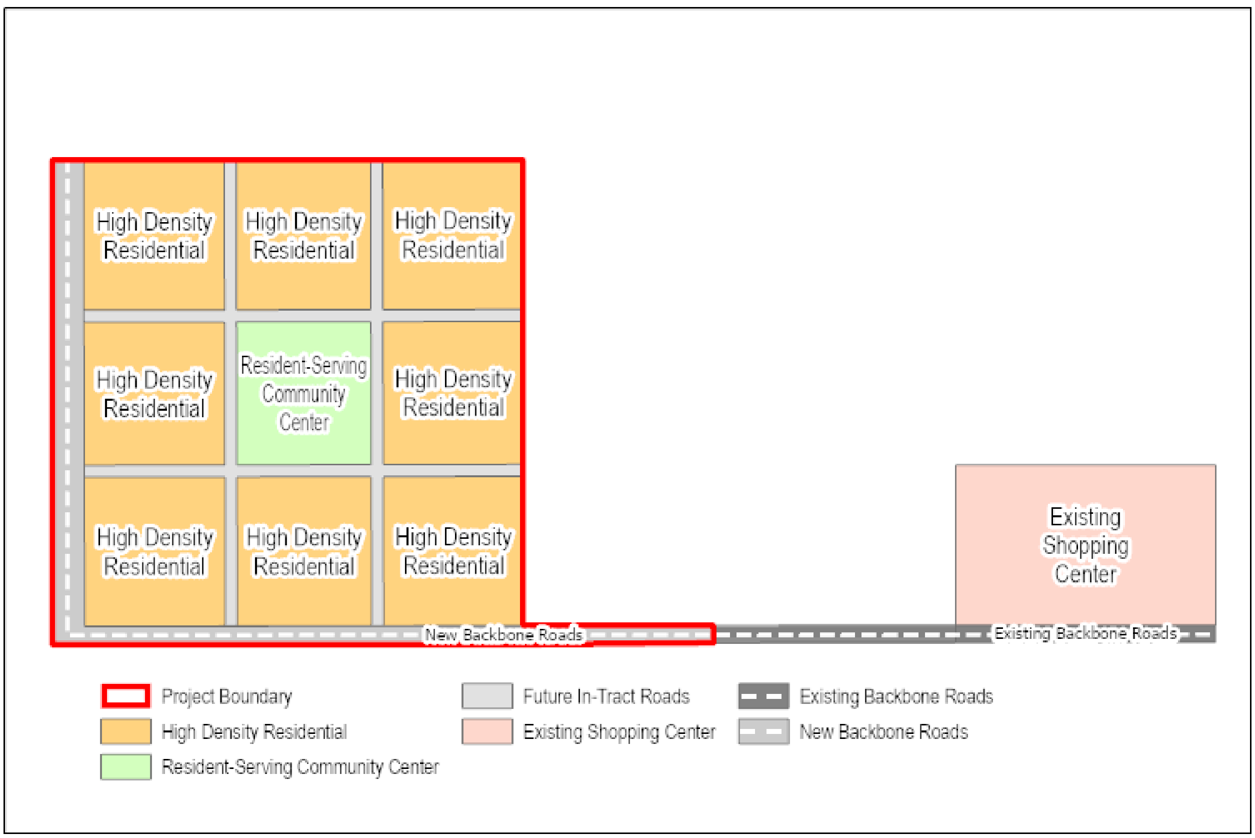

Table 3-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**12.5**	**acres**
Residential Development Area		
Residential Development Area	8.00	
In-Tract/ Project Resident Serving (Residential)	2.00	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	2.5	
Residential Development		
Low Density (1)	0	
Medium Density (1)	0	
High Density (1)	200	
Total Units	**200**	**units**
Residential Project Density		
Residential Project Density	20	units/ acre
Residential Fee Density Category (1)	HIGH	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 3-2: Mitigation Payment Calculation

Item	Units/ Acres		Per Unit/ Per Acre Mitigaiton Fee (1)		Mitigation Fee Payment
Residential Development (2)	200	units	$670	(high density)	$134,000
Non-Residential Development (3)	0	acres	$16,358		$0
Backbone/ Community-Serving (4)	2.5	acres	$16,358		$40,895
Total Mitigation Fee Payment (5)					**$174,895**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

<u>Residential Development</u>		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
<u>All Other Development</u>	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.
(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.
(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.
(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 4 – All Residential – Combination of Densities

Residential project to be developed on a total of 7.25 acres (area inside red boundary). The project will include residential units, a community building/area for the residents of the development (project residents only), and streets within the development (in-tract streets). All roads leading to the development have already been built and do not require investments by the developer. A total of 50 residential units are planned within the 7.25 gross acres, including a mix of low- and high-density development. The 50 residential units planned on 7.5 gross acres result in an average residential density of 6.9 units per acre. This represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 4-1), the illustrative development program data (Table 4-1), and the mitigation payment calculation (Table 4-2) below.

Figure 4-1: Illustrative Project Layout

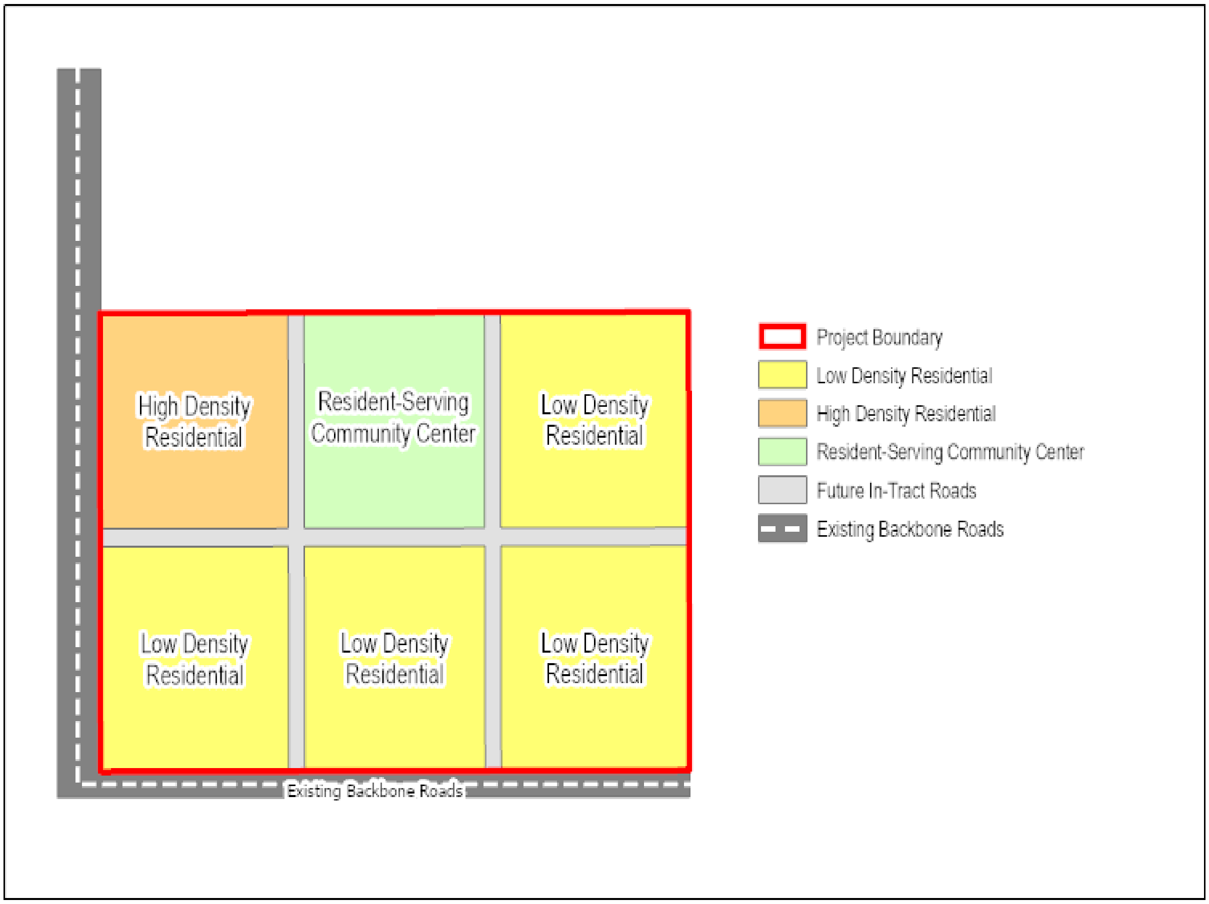

Table 4-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**7.25**	**acres**
Residential Development Area		
Residential Development Area	5.75	
In-Tract/ Project Resident Serving (Residential)	1.50	
Total/ Gross Residential Acres	7.25	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	25	
Medium Density (1)	0	
High Density (1)	25	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	6.9	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 4-2: Mitigation Payment Calculation

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	50 units	$3,635 (low density)	$181,750
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$181,750**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 5 – Horizontal Mixed Use – Residential and Commercial – Including Backbone Road Construction

Mixed use project to be developed on a total of 22.5 acres (inside red boundary). Residential project to be developed on ten acres. The project will include three components: (1) residential units, a community building/area for the residents of the development (project residents only), and streets within the residential development (in-tract streets); (2) a commercial development (e.g. shopping center) and project -serving improvements (e.g. parking, landscaping, and any other component that is not restricted to use by the residents only); and, (3) backbone/community serving roads on 2.5 acres of land that the member agency has required the builder to construct as a condition of the permit. A total of 50 residential units are planned within the 10 gross residential acres that exclude the backbone/community-serving infrastructure and the commercial development. This results in an average residential density of five units per acre, meaning that the residential component of the project is low density for the purpose of the fee program. Please see the visual representation of the project layout (Figure 5-1), the illustrative development program data (Table 5-1), and the mitigation payment calculation (Table 5-2) below.

Figure 5-1: Illustrative Project Layout

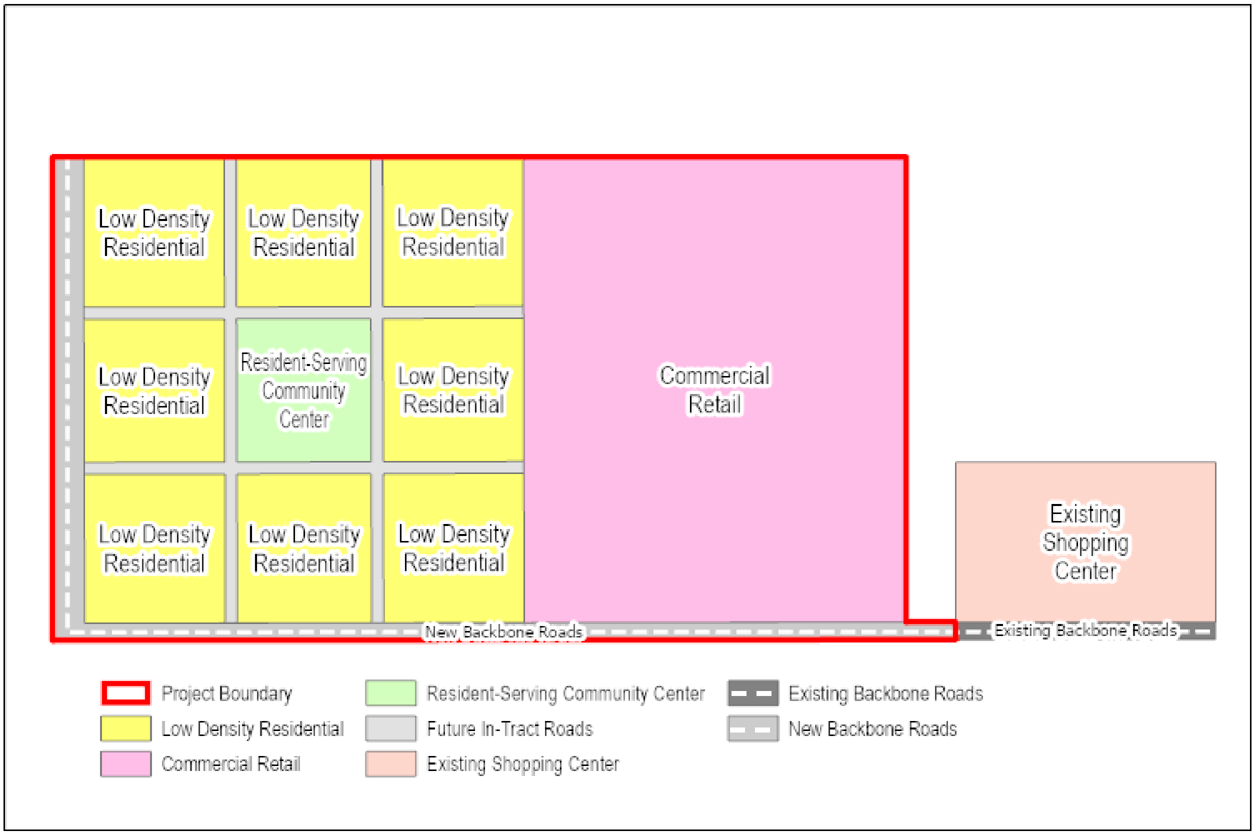

Table 5-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**22.5**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	10.0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	12.5	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5.0	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 5-2: Mitigation Fee Payment Calculation

Item	Units/ Acres		Per Unit/ Per Acre Mitigaiton Fee (1)		Mitigation Fee Payment
Residential Development (2)	50	units	$3,635	(low density)	$181,750
Non-Residential Development (3)	10	acres	$16,358		$163,580
Backbone/ Community-Serving (4)	2.5	acres	$16,358		$40,895
Total Mitigation Fee Payment (5)					**$386,225**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 6 – Vertical Mixed Use – Residential and Commercial

Mixed use project to be developed on a total of 3 acres (inside red boundary). The project will include a podium at street level that will include commercial/ retail as well as parking, residential units in the stories above the podium, as well as streets within the project area (in-tract streets). A total of 90 residential units are planned within the 3-acre project area. This results in an average residential density of 30 units per acre, meaning that the residential component of the project is high density for the purpose of the fee program. Please see the visual representations of the project layout (Figures 6-1 and 6-2), the illustrative development program data (Table 6-1), and the mitigation payment calculations (Tables 6-2 and 6-3) below. Two calculations must be conducted for mixed-use vertical projects and the higher of the two calculations must be used. One calculation treats the project like a residential project and the other calculation treats it like a commercial project. In the example below, the mitigation payment is $60,300 under the first method and $49,300 under the second method, so $60,300 payment applies.

Figure 6-1: Illustrative Project Layout – Residential and Commercial Vertical View

Figure 6-2: Illustrative Project Layout – Residential and Commercial Horizontal View

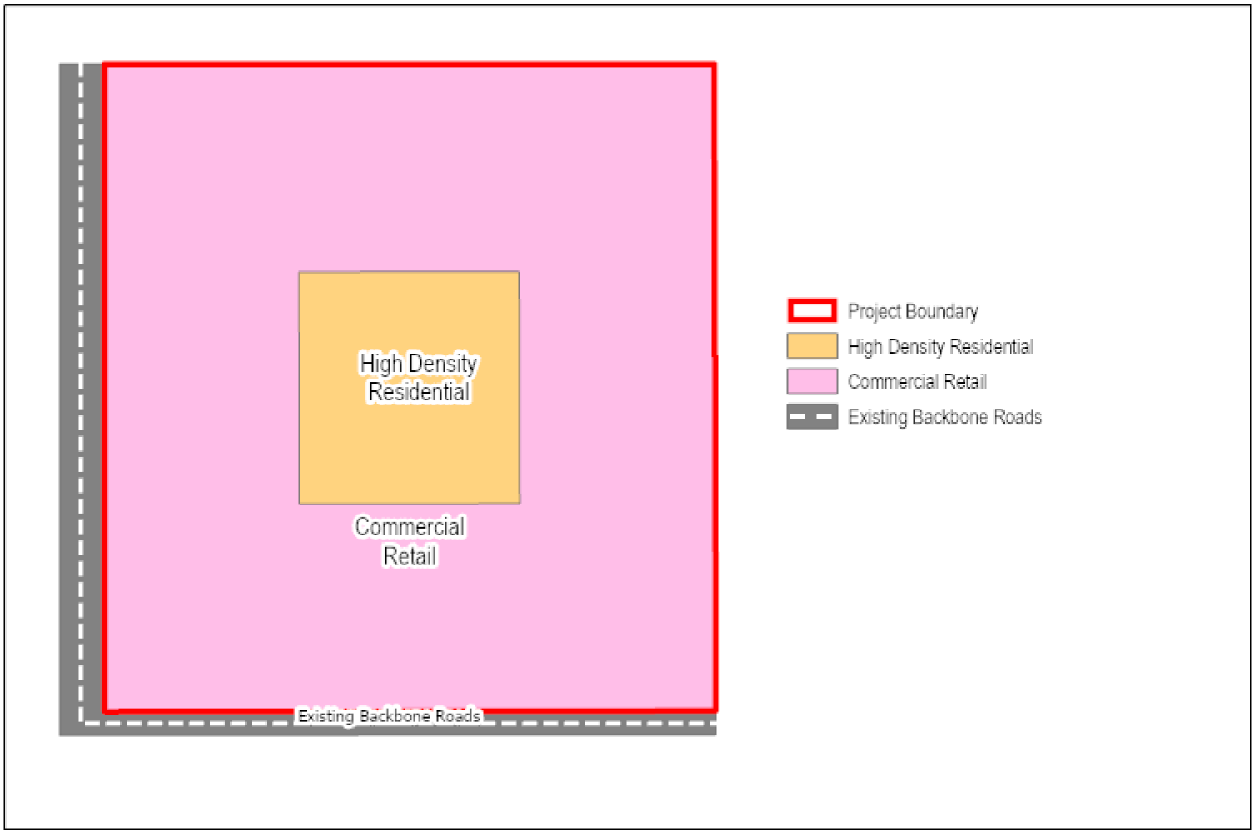

Table 6-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**3**	**acres**
Residential Development Area		
Residential Development Area	2.75	
In-Tract/ Project Resident Serving (Residential)	0.25	
Total/ Gross Residential Acres	3.00	
All Other Development		
Non-Residential Development Area	0.0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	0	
Medium Density (1)	0	
High Density (1)	90	
Total Units	**90**	**units**
Residential Project Density		
Residential Project Density	30.0	units/ acre
Residential Fee Density Category (1)	HIGH	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 6-2: Mitigation Fee Payment Calculation – Method 1 (Residential Focus)

Item	**Units/ Acres**		**Per Unit/ Per Acre Mitigaiton Fee (1)**		**Mitigation Fee Payment**
Residential Development (2)	90	units	$670	(high density)	$60,300
Non-Residential Development (3)	0	acres	$16,358		$0
Backbone/ Community-Serving (4)	0	acres	$16,358		$0
Total Mitigation Fee Payment (5)					**$60,300**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

<u>Residential Development</u>		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
<u>All Other Development</u>	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Table 6-3: Mitigation Fee Payment Calculation – Method 2 (Commercial/ Project Area Focus)

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	0 units	$670 (high density)	$0
Non-Residential Development (3)	3 acres	$16,358	$49,074
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$49,074**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

B. Public Project Examples

This section contains four (4) examples of public development projects, including one (1) Member Agency Civic Project and three (3) transportation/ road projects. These examples are not intended to be all inclusive but rather give permittees guidance on calculating the mitigation fee payment given different project types, characteristics, and, in the case of road/ transportation projects, different sources of funding. The Member Agency Civic project example provides a brief narrative, a representation of the project layout, the development program description, and the mitigation payment calculation. The road/ transportation examples provide a brief narrative of the project, cost estimates, key funding source information, and the mitigation payment calculation. Graphic layouts for the public road projects are not provided as the mitigation payment calculation is tied to costs and funding sources (not the specific layout of the project.)

As described in Chapter III and illustrated in the private project examples provided above in this chapter, mitigation payments for road and Member Agency Civic Projects that are developed by a private developer as part of a Private Project are calculated and made as part of the Private Project development mitigation payment.

Example 7 – Member Agency Civic Project

Member Agency Civic Projects includes the development of a library and park with adjacent parking lot. The parking lot will also serve as a park and ride location. The total acreage of the project is 6 acres (area inside red boundary). Please see the visual representation of the project layout (Figure 7-1), the development program data (Table 7-1), and mitigation payment calculations (Table 7-2) below.

Figure 7-1: Project Layout

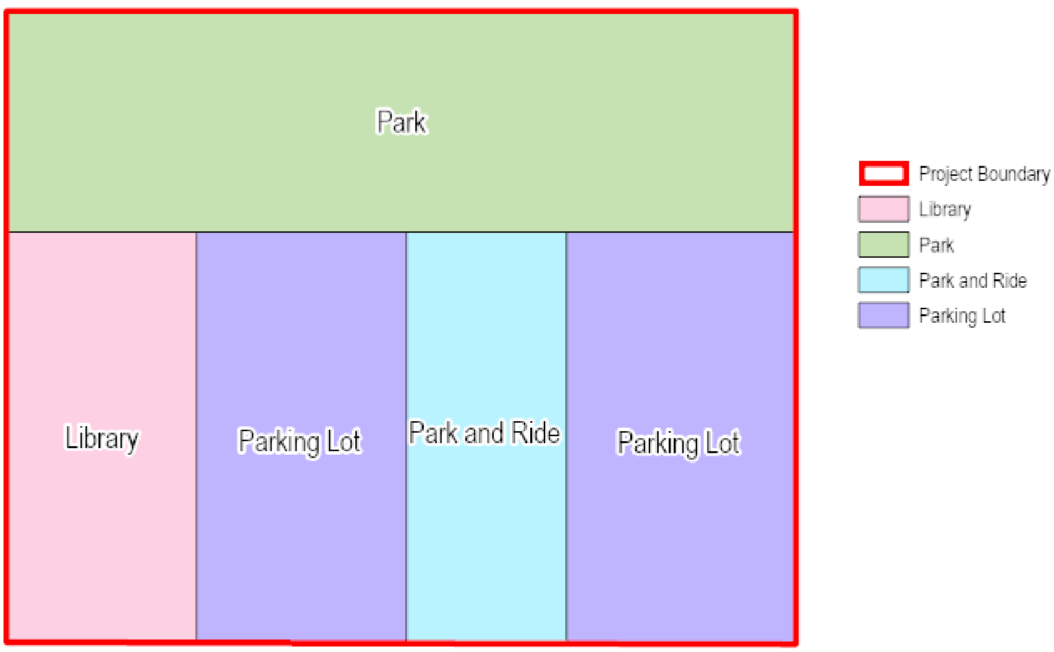

Table 7-1: Illustrative Development Program

Item	Amount
Library Area	1.0 acres
Park	2.0 acres
Parking Area	
Park and Ride Area	1.0 acres
General Parking Lot	2.0 acres
Subotal - Parking	3.0 acres
Gross Project Area	**6.0 acres**

Table 7-2: Mitigation Payment Calculation

Item	Amount
Gross Project Acres	6.0 acres
Mitigation Fee per Gross Acre (2)	$16,358
Total Mitigation Payment	**$98,148**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Commerical/ Industrial* $16,358 per gross acre

* Per gross acre fee for Local Public Capital Projects is the same as for commerical/ industrial development.

Example 8 – Road Widening with No Measure A or TUMF Funding

Road widening project with no Measure A or TUMF funding. Whole project is required to mitigate as project falls into the "new road, road widening, and other non-maintenance road projects" category that are required to mitigate (only maintenance projects costs such as road rehabilitation, restriping, and resealing are not required to mitigate). Total project cost is estimated at $5.5 million, including total direct construction costs of $4.4 million (including the construction cost contingency), $1.1 million in soft costs, and no land/ ROW acquisition costs. Please see the example road project cost estimates data

(Table 8-1), the funding source information (Table 8-2), and the mitigation payment calculations (Table 8-3) below.

Table 8-1: Illustrative Project Costs

Cost Item	**Cost**	
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)		
Construction Costs		
Base Construction Costs	$4,000,000	
Changes Orders/ Contingency	$400,000	(3)
Total Construction Costs	**$4,400,000**	
Soft Costs	**$1,100,000**	(4)
Land Acquisition/ ROW Costs	$0	
Total Capacity-Increasing Cost	**$5,500,000**	
MAINTENANCE PROJECTS (2)		
Total Construction Costs	$0	
Total Soft Costs	$0	
Total Non-Capacity-Increasing Cost	**$0**	
TOTAL PROJECT COSTS/ USES	**$5,500,000**	

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(3) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(4) For illustrative purposes shown as 25% of total construction costs.

Table 8-2: Illustrative Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$0	0%
Meaure A Funding	$0	0%
Subtotal	$0	0%
Other Funding	$5,500,000	100%
TOTAL PROJECT FUNDING/ SOURCES	$5,500,000	100%

Table 8-3: Mitigation Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$5,500,000	a	See Table 8-1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 8-1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	100%	c	See Table 8-2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$4,400,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$220,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 8-2.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

Example 9 – Road Widening Project with 20% Measure A/ TUMF Funding

Road widening project with 20% of funding from Measure A and TUMF funding. Whole project is required to mitigate as project - new road, road widening, and other non-maintenance road projects are required to mitigate (only maintenance costs are not required to mitigate). However, 20 percent of the project will be mitigated separately through TUMF or Measure A funding. Total projects cost is estimated at $5.5 million, including total direct construction costs of $4.4 million (including the construction cost contingency), $1.1 million in soft costs, and no land/ ROW acquisition costs. Please see the example road project cost estimates data (Table 9-1), the funding source information (Table 9-2), and the mitigation payment calculations (Table 9-3) below.

Table 9-1: Illustrative Project Costs

Cost Item	Cost	
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)		
Construction Costs (2)		
Base Construction Costs	$4,000,000	
Changes Orders/ Contingency	$400,000	(3)
Total Construction Costs	**$4,400,000**	
Soft Costs	**$1,100,000**	(4)
Land Acquisition/ ROW Costs	$0	
Total Capacity-Increasing Cost	**$5,500,000**	
MAINTENANCE PROJECTS (2)		
Total Construction Costs	$0	
Total Soft Costs	$0	
Total Non-Capacity-Increasing Cost	**$0**	
TOTAL PROJECT COSTS/ USES	**$5,500,000**	

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(4) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(5) For illustrative purposes shown as 25% of total construction costs.

Table 9-2: Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$800,000	15%
Meaure A Funding	$300,000	5%
Subtotal	$1,100,000	20%
Other Funding	$4,400,000	80%
TOTAL PROJECT FUNDING/ SOURCES	**$5,500,000**	**100%**

Table 9-3: Mitigation Fee Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$5,500,000	a	See Table 1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	80%	c	See Table 2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$3,520,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$176,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 9-2.
In cases where Measue A/ TUMF funding is allocated for specifc project cost categories, additional calculations and allocations may be appropriate. In these cases, please contact RCA staff and provide documentation of funding restrictions for support on the appriorate mitigation fee payment calcuation.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

Example 10 - Combined New Road/ Road Rehabilitation Project with 50% Measure A / TUMF Funding

Road project that includes the development of a new segment of road along with rehabilitation of a segment of existing roadway. Road project is 50% funded through Measure A or TUMF funds. Total project costs are $8 million. About $6 million is associated with the new road, including $4.4 million in direct construction costs (including the construction cost contingency), $1.1 million in soft costs, and $500,000 in land acquisition costs. About $2 million (25% of overall project cost) is associated with rehabilitation of the existing roadway, including $1.6 million in direct construction costs (including the construction cost contingency) and $400,000 in soft costs. Please see the example road project cost estimates data (Table 10-1), the funding source information (Table 10-2), and the mitigation payment calculations (Table 10-3) below.

Table 10-1: Cost Estimates

Cost Item	**Cost**	
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)		
Construction Costs (2)		
Base Construction Costs	$4,000,000	
Changes Orders/ Contingency	$400,000	(3)
Total Construction Costs	**$4,400,000**	
Soft Costs	**$1,100,000**	(4)
Land Acquisition/ ROW Costs	$500,000	
Total Capacity-Increasing Cost	**$6,000,000**	
MAINTENANCE PROJECTS (2)		
Total Construction Costs	$1,600,000	
Total Soft Costs	$400,000	(4)
Total Non-Capacity-Increasing Cost	**$2,000,000**	
TOTAL PROJECT COSTS/ USES	**$8,000,000**	

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(4) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(5) For illustrative purposes shown as 25% of total construction costs.

Table 10-2: Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$2,000,000	25%
Meaure A Funding	$2,000,000	25%
Subtotal	$4,000,000	50%
Other Funding	$4,000,000	50%
TOTAL PROJECT FUNDING/ SOURCES	**$8,000,000**	**100%**

Table 10-3: Mitigation Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$8,000,000	a	See Table 1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	50%	c	See Table 2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$2,200,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$110,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 10-2. In cases where Measue A/ TUMF funding is allocated for specifc project cost categories, additional calculations and allocations may be appropriate. In these cases, please contact RCA staff and provide documentation of funding restrictions for support on the appriorate mitigation fee payment calcuation.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

V. Definitions

DEFINITIONS

(Including Definitions defined in the Fee Ordinances):

“Accessory Dwelling Unit” means an accessory dwelling unit as defined by California Government Code section 65852.2(j)(1), or as defined in any successor statute.

“City/County Civic Projects” means all non-road City and County projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, and all other facilities that serve the public.

“City/ County Road Projects” means all City and County road projects.

“Construction Cost” means and includes the cost of the entire construction of the roadway project, including all supervision, materials, supplies, labor, tools, equipment, transportation and/or other facilities furnished, used or consumed, without deduction on account of penalties, liquidated damages or other amounts withheld from payment to the contractor or contractors, but such cost shall not include the Consulting Engineer/Architect’s fee, or other payments to the Consulting Engineer/Architect and shall not include cost of land or Rights-of-Way and Easement acquisition.

“Credit” means a credit allowed pursuant to Section 10 of this Ordinance, which may be applied against the development impact fee paid.

“Development” means a human-created change to improved or unimproved real estate, including buildings or other structures, mining, dredging, filing, grading, paving, excavating, and drilling.

“Development Project” or **“Project”** means any project undertaken for the purpose of development pursuant to the issuance of a building permit by the City/County pursuant to all applicable ordinances, regulations, and rules of the City/County and state law.

“Fuel modification area” means an area established adjacent to structures or roads in which highly combustible native plants, invasive introduced, or ornamental plants are modified and/or totally replaced with fire resistant or drought resistant alternatives; or areas subject to hazardous abatement orders.

“Gross “Community-Serving” Area/ Acres” means the area of residential projects that provide infrastructure, improvements, and amenities that go beyond only serving project residents and hence are “community-serving”. This includes, but is not limited to, roads that serve multiple projects, parks that serve more than one residential project, parking that serves other uses/ developments etc. The acreage associated with these improvements/ amenities are part of the gross project acreage but distinct from project resident-serving improvements/ amenities and the gross residential area.

“Gross Project Area/ Acres” means is the total or gross areas of the project. This overall acreage can only be reduced under unique circumstances.

“Gross Residential Area/ Acres” means the total area of the project dedicated to residential land uses and includes residential buildings as well as “Project Resident-Serving” Infrastructure/ Improvements/ Amenities.

“Hazardous vegetation” means vegetation that is flammable and endangers the public safety by creating a fire hazard, including, but not limited to, seasonal and recurrent weeds, stubble, brush, dry leaves, and tumbleweeds.

“Junior Accessory Dwelling Unit” means a junior accessory dwelling unit as defined by California Government Code section 65852.22(h)(1), or as defined in any successor statute.

“Linear Projects” means all linear PSE projects with differentiation in payment amount between permanent and temporary projects.

“Local Development Mitigation Fee” or **“Fee”** means the development impact fee imposed pursuant to the provisions of this Ordinance.

“Maintenance Projects” means projects that include, but are not limited to, pavement repairs, tree trimming, bridge maintenance, and pavement restriping and roadway reconstruction which do not add new lanes.

“Manufactured slope” means a slope created by natural landform alteration (grading), by cutting or filling a natural slope, or importing fill material to create a slope.

“Member Agency” or “Member Agencies” means those Cities and Counties that are signatories to the RCA Joint Powers Agreement.

“Multiple Species Habitat Conservation Plan” or **“MSHCP”** means the Western Riverside County Multiple Species Habitat Conservation Plan

“MSHCP Conservation Area” has the same meaning and intent as such term is defined and utilized in the MSHCP.

“Non-Linear Projects” means all PSE projects that are non-linear in form.

“Ordinance” means the Fee Ordinance adopted by the Cities and the County to implement the MSHCP Local Development Mitigation Fee.

“Private Projects” means those projects where the primary project purpose is for use by households, business, or other private entities (i.e. not accessible to the public except where allowed by private owner/ renter). This category also includes Private Projects that receive public support (e.g., support through direct public investments in infrastructure, ground leases of publicly owned land, or direct investment of public dollars in projects such as affordable housing).

“Project Area” means the area, measured in acres, within the Development Project including, without limitation, any areas to be developed as a condition of the Development Project. Except as otherwise provided herein, the Project Area is the area upon which the project will be assessed the Local Development Mitigation Fee. See the RCA Mitigation Fee Implementation Handbook Manual for additional guidance for calculating the Project Area.

“Project Resident-Serving Infrastructure/ Improvements/ Amenities” means Infrastructure/ improvements, and amenities that only serve project residents and include, but are not limited to, roads, parks, and non-residential buildings that only serve project residents.

“Public Projects” means all City/County Civic Projects and all City/County Road Projects. These Public Projects include infrastructure projects, civic projects and Riverside County Flood Control District projects.

“Revenue” or **“Revenues”** means any funds received by the City/County pursuant to the provisions of this Ordinance for the purpose of defraying all or a portion of the cost of acquiring and preserving vegetation communities and natural areas within the City/County and the region which are known to support threatened, endangered, or key sensitive populations of plant and wildlife species.

“Riverside County Flood Control District Projects” means all Riverside County Flood Control District projects.

“Western Riverside County Regional Conservation Authority” or **“RCA”** means the governing body established pursuant to the MSHCP that is delegated the authority to oversee and implement the provisions of the MSHCP.

Any capitalized term not otherwise defined herein shall carry the same meaning and definition as that term is used and defined in the MSHCP.

Regional Conservation Authority
Western Riverside County

MSHCP Mitigation Fee Implementation Manual

September 2021 (Retroactive to July 2021)

RCA's MSHCP MITIGATION FEE IMPLEMENTATION MANUAL

The Western Riverside County Regional Conservation Authority ("RCA") was formed in 2004 to achieve one of America's most ambitious environmental efforts, the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP" or the "Plan"). As the nation's largest habitat conservation plan of its kind, the MSHCP strengthens the sustainability and quality of life in western Riverside County by nurturing economic development opportunities, alleviating traffic congestion, protecting natural resources, and improving air quality.

This MSHCP Mitigation Fee Implementation Manual ("Manual") provides direction to Local Jurisdictions under the MSHCP concerning their obligations under the MSHCP and Permits regarding the imposition, collection, accounting, remittance and calculation of the Local Development Mitigation Fee. The Local Development Mitigation Fee Program is administered by the RCA. The instructions in this Manual are intended to be consistent with and based on the MSHCP, the Implementing Agreement (IA), and the 2020 Nexus Study. The Manual is also intended to provide direction to Member Agencies concerning their Fee Ordinances and any related Resolutions. For questions and clarifications, please contact the RCA.

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CHAPTER I. INTRODUCTION

A. Background on MSHCP and Implementation Agreements

The MSHCP, originally adopted in 2004, is a comprehensive, multi-jurisdictional Habitat Conservation Plan focusing on the permanent conservation of 500,000 acres and the protection of 146 species, including 33 that are currently listed as threatened or endangered. The MSHCP was developed in response to the need for future growth opportunities in western Riverside County while addressing the requirements of the State and federal Endangered Species Acts. The MSHCP serves as an HCP pursuant to Section 10(a)(1)(B) of the federal Endangered Species Act of 1973 as well as a Natural Communities Conservation Plan under the NCCP Act of 2001. The MSHCP streamlines these environmental permitting processes by allowing the participating jurisdictions to authorize "take" of plant and wildlife species identified within the Plan Area and has saved taxpayers more than $500 million by expediting the construction of more than 30 major freeway and road improvements in Riverside County valued at more than $5 billion. At the same time, Plan implementation provides a coordinated MSHCP Conservation Area and implementation program to preserve biological diversity and maintain the region's quality of life.

The MSHCP and the associated Implementing Agreement ("IA") and Incidental Take Permit collectively determine a set of conservation actions that must be taken to meet the terms of the Incidental Take Permit and benefit from the regulatory streamlining and other benefits of the MSHCP. This includes the identification of the responsible parties, including the responsibilities of the Local Permittees.[1] One of the key requirements of the MSHCP, IA , and Incidental Take Permit (consistent with the requirements of the federal Endangered Species Act) is the provision of adequate funding by Local Permittees to the Implementing Entity (the Western Riverside County Regional Conservation Authority[2]) ("RCA") to conduct their portion of the conservation actions identified in the MSHCP.

B. Purpose of MSHCP and Local Development Mitigation Fee

The purpose of the Local Development Mitigation Fee ("LDMF") is to contribute to the funding required to implement the MSHCP and, as a result, help maintain the Incidental Take Permit for new private and public development in western Riverside County under the federal and State Endangered Species Acts. Maintaining the Incidental Take Permit is necessary to allow for future development, and without the development community paying for the cost of the MSHCP, individual applicants would need to apply

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[1] Local Permittees include the western Riverside Cities, the County of Riverside, County Flood Control and Water Conservation District, County Regional Park and Open-Space District, County Department of Waste Resources, and Riverside County Transportation Commission.

[2] The Western Riverside County Regional Conservation Authority is a joint powers authority established in 2004 to implement the MSHCP.

independently for development approval under federal and State law if the project impacts a threatened or endangered species. The Federal Endangered Species Act specifically requires that the applicant for Incidental Take Permit "ensure that adequate funding for the [MSHCP] will be provided."[3] In addition, the LDMF helps provide the regional benefit of streamlined economic development in western Riverside County as well as the provision of contiguous open spaces that will serve as a community amenity to residents, workers, and visitors.

New development in the MSHCP Area will directly, indirectly, or cumulatively affect species and habitat in western Riverside County. Because of this, the County of Riverside along with several other agencies prepared and adopted the MSHCP to provide a regional, streamlined approach to benefit future development of all types in western Riverside County, including the development and improvements envisioned under the numerous General Plans and the Regional Transportation Improvement Program. The requirements of the MSHCP (habitat acquisition, management and monitoring, and program administration) are a direct result of the regional approach to mitigation that is engendered by all new development in the Plan Area under the pertinent environmental regulations. Consequently, the LDMF applies to all new development in western Riverside County whether or not the development is within a Criteria Cell.

The overall permit period was set at 75 years, ending in 2079. To cover ongoing management and monitoring costs beyond the duration when mitigation fees will be collected, the establishment of a non-depleting endowment is required. In other words, the endowment must be sufficient such that expected average interest revenues (after inflation and transaction costs) can cover the ongoing costs associated with management and monitoring in perpetuity. The endowment must be fully established by the end of the land acquisition period as it is assumed that no more mitigation fees will be collected after that time.

Finally, the LDMF is required by the MSHCP and the IA (IA §13.2(A); MSHCP § 8.5.1).

C. Public Projects

A number of Public Projects also pay fees related to the MSHCP in order to mitigate the impact of public projects in accordance with the terms of the IA. These different types of Public Projects and the fees related to them are discussed more in the later chapters of this Manual.

D. RCA Administration of Fee Program

Section 2 of the Member Agencies' Fee Ordinance provides that the RCA is appointed as the Administrator of the Fee Ordinance. The RCA is authorized to receive all fees generated from the LDMF within the Cities or County, and to invest, account for, and expend such fees in accordance with the provisions of the Plan, IA, and Fee Ordinances.

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[3] See Section 1539(a)(2)(B)(iii) of the federal Endangered Species Act.

The RCA's Executive Director or his/her designee is authorized to act on behalf of the RCA as the Administrator of the LDMF Program. Furthermore, the RCA shall have the final determination regarding collection of the fee, the appropriate methodology to calculate the fee based on the information provided, and the interpretation of this Manual.

E. Purpose of Implementation Manual

The purpose of this Manual is to provide those jurisdictions and agencies that are participants in the MSHCP and IA with direction and policies for implementation of the LDMF Ordinance and Resolution adopted by each of the member jurisdictions. The Manual specifies implementation and responsibilities for the LDMF Ordinance and Resolution. The instructions in this Manual shall control the administration of the Local Development Mitigation Fee except where directly in conflict with the adopting Ordinance. Capitalized terms in this Manual shall have the same meaning as in the adopting Ordinance.

The RCA may, from time to time, amend this Manual as necessary to add additional direction, clarification, or guidance regarding implementation of the LDMF Ordinance.

CHAPTER II. LOCAL JURISDICTION INSTRUCTIONS

A. Legal Authority

Any capitalized terms used within this Manual which are not defined herein are the same as those defined in the LDMF Ordinances.

The MSHCP notes that “new development affects the environment directly through construction activity and cumulatively through population bases that result from Development.” As a result, the Member Agencies are required to implement a LDMF that was expected to represent one of the primary sources of funding for the implementation of the MSHCP. The LDMF has been developed in accordance with California Government Code Section 66000 et seq. (the “Mitigation Fee Act”) that “allows cities and counties to charge new development for the costs of mitigating the impacts of new development.” Fees charged to Public Projects have been imposed pursuant to the MSHCP IA.

B. Member Agency Obligations under MSHCP and Implementation Agreements.

As set forth in Section 11.1 of the MSHCP Implementing Agreement, the Member Agencies and the RCA have selected legal mechanisms to ensure implementation of the terms of the MSHCP and the IA.

1. **Enactment of Fee Ordinance and Resolution.** Pursuant to Sections 11.1.1 and 11.1.2 of the MSHCP IA, the Member Agencies shall adopt an Ordinance imposing the LDMF in substantially the form proposed by the RCA and the related Resolution within 90 days’ notice from the RCA. The Member Agencies shall also adopt any updated Fee Ordinance or Resolution within 90 days’ notice from the RCA.

2. **Imposition of Fee.**

    a. The LDMF will be paid no later than at the issuance of a building permit. Notwithstanding any other provision of the Municipal or County Ordinance, as relevant, no building permit shall be issued for any Development Project unless the LDMF applicable to such Development Project has been paid. The amount of the Fee shall be calculated in accordance with this Manual.

    b. In lieu of the payment of the LDMF as provided above, the Fee for a Development may be paid through a Community Facilities District, provided that such arrangement is approved by the RCA in writing.

3. **Remittance of Fees to the RCA**

a. Timing. The Member Agencies shall remit all LDMFs which are collected or should have been collected for any Development, as defined in the MSHCP, and contributions for Public Projects to the RCA on a monthly basis to be expended to fulfill the terms of the MSHCP. Payment to the RCA shall be made no later than 90 days after the LDMFs were collected. Payment to the RCA shall be made no later than 90 days after the construction contract for the Public Project is approved by the Member Agency.

b. Documentation and Records Requirements. The Member Agencies shall maintain complete and accurate records with respect to all LDMF revenues collected under their LDMF Ordinances and the calculation of contributions for all Public Projects. All such records shall be clearly identifiable.

c. Annual audits. The Member Agencies shall allow a representative of the RCA during normal business hours to examine, audit, and make transcripts or copies of such records.

4. **Imposition of CPI increases and other Fee Adjustments**

a. Automatic Annual Fee Adjustment. The RCA will provide the Member Agencies with an automatic annual fee adjustment for the fee established by Resolution based on the average percentage change over the previous calendar year set forth in the Consumer Price Index for the Riverside-San Bernardino-Ontario metropolitan area or a replacement CPI index issued by the federal government. The Member Agencies shall adopt a resolution implementing the fee adjustment no later than 60 days after receiving notice from the RCA.

b. Periodic Fee Adjustment. The fee schedule may be periodically reviewed, and the amounts adjusted by the RCA Board of Directors. By amendment to the fee Resolution referenced in the Fee Ordinance, the fees may be increased or decreased to reflect the changes in actual and estimated costs of the MSHCP including, but not limited to, management and monitoring, endowment, and acquisition costs. The adjustment of the fees may also reflect changes in the facilities required to be acquired, in estimated revenues received pursuant to the Fee Ordinances, as well as the availability or lack thereof of other funds with which to implement the MSHCP. The Member Agencies shall adopt a resolution implementing the fee adjustment no later than 60 days after receiving notice from the RCA.

C. Fee Credits and Fee Credit Agreements

1. **Fee Credits**

When a Member Agency determines that a request for a fee credit ("Fee Credit") is appropriate for on-site conservation which meets the standards in Section II below, the Member Agency shall notify the RCA's Executive Director ("Executive Director") in writing as part of the Joint Project Review ("JPR") Application. This notification shall include all relevant documentation related to the project, including project description, map, criteria cells, and designation of land proposed for conservation.

Fee Credits shall be applied only to the Project they are associated with in the JPR. Fee Credits shall only be provided to the underlying property owner or development company at the time the LDMF applies and are not transferrable to other entities, individuals, or development projects. Fee Credits shall not be applied retroactively. Fee Credits shall not be granted for on-site conservation that would not be considered developable land in the absence of the MSHCP. Some examples of such undevelopable land include that which could not be developed under the California Environmental Quality Act, land with topography consisting of 50% or greater slopes, land that is in a flood way, or land that could not be developed due to other local ordinance restrictions. In cases where both developable and undevelopable land are included in on-site conservation, only that land that is developable in the absence of the MSHCP shall be considered for Fee Credit.

2. STANDARDS. Fee credits shall meet the following standards:

   a. Proposed conservation land must be within Criteria Cells and contribute to Reserve Assembly;

   b. Conservation land must be of a size, configuration, and location such that it can be managed as part of the MSHCP Conservation Area;

   c. In addition to the exclusions identified in Section I above, fuel modification/hazardous vegetation areas, manufactured slopes, storm drain or detention basin outfalls, constructed slope protection, utility easement areas, and Best Management Practices such as bioswales, infiltration trenches, and basins will be excluded from Fee Credits and will not be accepted for management by the RCA.

3. APPRAISAL

a. The RCA or Member Agency will obtain an appraisal for the property being offered in exchange for the Fee Credit. The cost of the appraisal will be borne by the entity that commissions the appraisal.

b. The appraisal shall be prepared by a licensed appraiser and meet the standards in Section 6.1.1 of the MSHCP. The property owner may select the appraiser from an approved list of appraisers used by the RCA.

4. DECISION.

a. <u>Member Agency – Approval Authority up to $200,000</u> A Member Agency may approve Fee Credits up to $200,000. The RCA will assist Member Agency in making a determination on the Fee Credits if requested. Notwithstanding the above, the RCA is authorized to review and audit a Member Agency's approval of Fee Credits hereunder. In the event of a disagreement between RCA and a Member Agency regarding Fee Credits provided under this Section IV.A, the matter shall be referred to the RCA Board of Directors for consideration and further action.

b. <u>Board of Directors – Approval Authority Over $200,000</u> All Fee Credits over $200,000 require approval of the RCA Board of Directors. The Executive Director shall place the Fee Credit request on the agenda for the next regularly scheduled meeting of the RCA Board of Directors for which an agenda has not been posted.

5. REPORTING. The Member Agency will provide the RCA with a copy of all Fee Credit agreements within 30 days of execution. The Executive Director shall provide monthly reports to the RCA Board of Directors of all notifications concerning Fee Credits.

6. CONVEYANCE OF CONSERVATION LAND. Conservation land associated with approved Fee Credits shall be conveyed in fee title to the RCA or another entity or organization lawfully authorized to acquire and hold conservation easements pursuant to Civil Code Section 815.3. The conservation land shall be free of encumbrances that could adversely impact the ability to manage the conservation land in accordance with the MSHCP. Conveyance of the conserved land must occur prior to the point in time when MSHCP Fee payment is due for the Project, and the Member Agency shall not issue occupancy permits for the Project until such time as the conservation

land has been conveyed and any Fee balance has been paid to the RCA. If a non-member agency holds title to the land, the entity must enter into a Management MOU with the RCA agreeing to manage the land in accordance with the MSHCP prior to issuance of a grading permit for the Project.

D. Fee Exemptions.

The following types of construction shall be exempt from the provisions of this Ordinance:

1. Reconstruction or improvements that were damaged or destroyed by fire or other natural causes, provided that the reconstruction or improvements do not result in additional usable square footage.

2. Rehabilitation or remodeling to an existing Development Project, provided that the rehabilitation or remodeling does not result in additional usable square footage.

3. Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

4. Junior Accessory Dwelling Units, but only to the extent such fee is exempted under state law.

5. Existing structures where the use is changed from an existing permitted use to a different permitted use, provided that no additional improvements are constructed and does not result in additional usable square footage.

6. Certain Agricultural Operations as allowed by the MSHCP, as amended.

7. Vesting Tentative Tract Maps entered into pursuant to Government Code section 66452 et seq. (also, Government Code section 66498.1 et seq.) and Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq., prior to the effective date of a Member Agency's original LMDF Ordinance, wherein the imposition of new fees are expressly prohibited, provided that if the term of such a vesting map or development agreement is extended by amendment or by any other manner after the effective date of the Member Agency's original LDMF Ordinance, the Fee shall be imposed.

Except as exempted above, all projects are required to make a mitigation payment/ contribution and where no mitigation payment process is specified, the project will pay the updated per acre mitigation fee.

E. Project Area.

As defined in the Fee Ordinance, the “Project Area” means the area, measured in acres, within the Development Project including, without limitation, any areas to be developed as a condition of the Development Project. The Project Area shall be calculated in accordance with the following guidelines:

1. The Project Area shall be determined by the Member Agency staff based on the subdivision map, plot plan, and other information submitted to or required by the Member Agency.

2. An applicant may elect, at his or her own expense, to have a Project Area dimensioned, calculated, and certified by a registered civil engineer or licensed land surveyor. The engineer or land surveyor shall prepare a wet-stamped letter of certification of the Project Area dimensions and a plot plan exhibit thereto that clearly delineates the Project Area. Upon receipt of the letter of certification and plot plan exhibit, the Member Agency shall calculate the LDMF required to be paid based on the certified Project Area.

3. Where construction or other improvements on Project Area are prohibited due to legal restrictions on the Project Area, such as Federal Emergency Management Agency designated floodways or areas legally required to remain in their natural state, that portion of the Project Area so restricted shall be excluded for the purpose of calculating the LDMF.

F. Developer Refunds and Appeals

Under certain circumstances, such as double payment, expiration of a building permit, or fee miscalculation due to clerical error, an applicant may be entitled to a refund. Refunds will be reimbursed by the end of the fiscal year on a first come, first served basis, depending upon the net revenue stream. Refunds will only be considered reimbursable if requested within three (3) years of the original LDMF payment. In all cases, the applicant must promptly submit a refund request with proof of LDMF payment to the RCA if the RCA collected the LDMF, or if collected by a local jurisdiction, the refund request shall be submitted to that local jurisdiction, which will subsequently forward the request to the RCA for verification, review, and possible action.

1. **Expiration of Building Permits** If a building permit should expire, be revoked, or is voluntarily surrendered and is, therefore voided and no construction or improvement of land has commenced, then the applicant may be entitled to a refund of the LDMF collected which was paid as a condition of approval, less administration costs. Any refund must be requested within three (3) years of the original payment. The applicant shall pay the current LDMF in effect at the time in full if s/he reapplies for the permit.

2. **Double Payments** On occasion due to a clerical error, a developer has paid all or a portion of the required LDMF for project twice. In such cases, a refund of the double payment may be required if the request in made within three (3) years of the original payment.

3. **Balance Due** When LDMF is incorrectly calculated due to a Member Agency's clerical error, it is the Member Agency's responsibility to remit the balance due to the RCA. The error must be discovered within three (3) years of the original payment for the Member Agency to be held accountable. The amount due can be remitted through alternate methods agreed to by the RCA Executive Committee. If first approved through RCA staff in writing, the calculation is not subject to additional review.

G. Options for Administrative Add-On Costs to Fees

In the Fee Resolution mentioned in the Fee Ordinance, the Member Agencies are permitted to add an additional cost to the LDMF schedule to cover the Member Agency's costs of imposing, administering, collecting, and remitting the fees.

H. Public Project Fees

1. **City/County Roadways** The Member Agencies shall contribute 5% of the facility construction costs for city/County roads for impacts related to City/County roadways to the RCA as set forth herein.

    a. The 5% contribution shall apply to the construction of new roads, the widening of existing roads, or other improvements which increase roadway throughput.

    b. Maintenance projects, as defined herein, are exempt from the 5% contribution.

    c. The 5% does not apply to:

        i. Projects, or portions thereof, paid for by the existing Measure A (contribution already paid directly by RCTC); and

        ii. Projects, or portions thereof, paid for by TUMF (contribution already paid directly by WRCOG).

    d. The Member Agency will include the payment of MSHCP fees within its grant applications to the Federal Highway Administration.

    e. Only contributions for the Caltrans-funded portion of a Caltrans highway project shall be exempted from the Public

Project fee. Caltrans contributions are covered pursuant to MSHCP section 8.4.4 (pages 8-11 & 8-12).

2. **City/County Civic Projects** The Member Agency will contribute a per acre mitigation fee based upon the current commercial/industrial fee for these types of facilities.

3. **Riverside County Flood Control District Projects**. Riverside County Flood Control District will contribute mitigation through payment of 3% of total capital costs for a Covered Activity. Such payment may be offset through acquisition of replacement habitat or creation of new habitat for the benefit of Covered Species, as appropriate. Such mitigation shall be implemented prior to impacts to Covered Species and their habitats.

I. Monthly Payment.

Pursuant to Section 8.5 of the MSHCP, Sections 12.2.1 and 12.2.2 of the IA, and Sections 19.A and 19.B of the Joint Powers Agreement (JPA), the Member Agencies shall remit all LDMFs which are collected or should have been collected for any Development, as defined in the MSHCP, and contributions for Public Projects to the RCA on a monthly basis to be expended to fulfill the terms of the MSHCP.

1. Payment to the RCA shall be made no later than 90 days after the LDMFs were collected.

2. Payment to the RCA shall be made no later than 90 days after the construction contract for the Public Project is approved by the County or the City/County.

J. No Withholding.

The Member Agencies may not recover the costs of administering the provisions of their LDMF Ordinance using the LDMF revenues generated by them through said Ordinance.

K. Audit.

Pursuant to the JPA, the Member Agencies shall maintain complete and accurate records with respect to all LDMFs collected under their LDMF Ordinance and the calculation of contributions for all Public Projects. All such records shall be clearly identifiable. The Member Agencies shall allow a representative of the RCA during normal business hours to examine, audit, and make transcripts or copies of such records.

L. Late Payments.

Starting January 1, 2008, if a Member Agency fails to remit the monthly payment within 90 days as required in Section 2.0 above, any delinquent amounts will be assessed interest at the rate of the RCA's prevailing rate for invested funds. Notwithstanding the prior sentence, no interest shall be assessed on delinquent fees remitted prior to January 1, 2008.

M. No Effect on Withdrawal.

The obligations imposed under this Article on the Member Agencies shall not affect any more strict obligation imposed on each of them under Section 22.1 of the I A pertaining to withdrawal from the MSHCP.

N. Periodic Fee Adjustment.

The fee schedule may be periodically reviewed, and the amounts adjusted by the RCA Board of Directors; the LDMF may be increased or decreased to reflect the changes in actual and estimated costs of the MSHCP including, but not limited to, debt service, lease payments, and acquisition costs. The adjustment of the fees may also reflect changes in the facilities required to be acquired, in estimated revenues received pursuant to this Ordinance, as well as the availability or lack thereof of other funds with which to implement the MSHCP.

O. Automatic Annual Fee Adjustment.

In addition to the Periodic Fee Adjustment mentioned above, the RCA will provide the Member Agencies with an automatic annual fee adjustment for the fee established by this Ordinance based on the average percentage change over the previous calendar year set forth in the Construction Price Index for the Riverside-San Bernardino-Ontario metropolitan area.

P. Authority.

The RCA shall have final determination regarding the appropriate methodology to calculate the fee based on the information provided.

CHAPTER III. MITIGATION PAYMENT REQUIREMENTS

New private, public, and other development activity in western Riverside County must comply with the MSHCP, IA, Ordinances, and Resolutions to obtain permits and make the appropriate mitigation payment. This Chapter describes the mitigation payment mechanisms and formulae that apply to different types of projects. It first defines three broad project categories and then provides more detail on the different mitigation payment calculations that apply to different types of projects under these broad categories. The subsequent **Chapter IV** provides illustrative fee calculations for Private and Public Project examples to clarify the appropriate calculation of mitigation payments.[4] RCA staff is available to answer questions if there are questions about mitigation payment requirements for a specific project.

A. General Project Categories

All projects fall into one of three (3) general categories as described below. Local Permittees should first determine which general category any project falls under.

1. Private Projects

Private Projects include projects where the primary project purpose is for use by households, businesses, or other private entities (i.e. not accessible to the public except where allowed by private owner/ renter). These projects include homes, apartments, offices, industrial buildings, and retail stores, among others. This category also includes Private Projects that receive public support (e.g., support through direct public investments in infrastructure, ground leases of publicly owned land, or direct investment of public dollars in projects such as affordable housing).

Private Projects often require the development of public infrastructure, improvements, and amenities (e.g., streets, parks, and community buildings) by the project developer. In these cases, the Private Project developer will be responsible for making payments for the private and public components of the project. As discussed in more detail in subsequent sections, the mitigation fee payment calculation for privately developed public infrastructure, improvements, and amenities depends on the type of project (residential versus non-residential) and the nature and role of the improvements (whether they solely serve project residents or serve a broader community).

2. Public Projects

Public Projects include projects whose primary goal is to provide publicly accessible/ useable infrastructure, improvements, or other amenities. Public Projects include a broad range of project types, including transportation, flood control, water, wastewater, stormwater, parks, community centers and other public buildings, among others.

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[4] All projects are required to make mitigation payments, except where specifically exempted in the Fee Ordinance.

Some Public Projects will involve the private sector. Private sector involvement could be through design, construction, operation, and/or funding. For mitigation purposes, these projects are considered Public Projects and are treated the same from a mitigation perspective.[5]

3. Participating Special Entities (PSE) Projects

Some types of projects can obtain the MSHCP benefits of permit streamlining by participating as Participating Special Entities ("PSE's"). This is a third category of project and its mitigation payment requirements are described separately, though in many ways PSE projects are treated similarly to Public Projects.

B. Private Projects

This section categorizes the different types of Private Projects and the associated mitigation payment requirements. Private project mitigation payments are determined by the MSHCP LDMF for the current fiscal year and project characteristics. Chapter IV provides illustrative examples of different types of Private Projects to further clarify and support the calculation of the appropriate mitigation payment.

1. Private Project Types

Private Projects are further distinguished into three (3) types (along with some sub-types). In all cases, mitigation occurs through mitigation fee payment, though as described further below the mitigation fee type and calculation varies for these different types.

a. Non-Residential

The non-residential category of Private Projects encompasses the full and broad range of Private Projects that do not incorporate residential development. Uses include all commercial, industrial, and any other private non-residential projects.

b. Residential

The residential category of Private Projects covers the full range of residential development projects, including, but not limited to, residential subdivisions, apartment complexes, infill residential projects, affordable housing projects, single homesite developments, Accessory Dwelling Units ("ADUs"), and Additions and Renovations. Mixed-use Private Projects (projects that combine residential and commercial/ industrial uses) are addressed distinctly, as described below.

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[5] As described above under Private Projects and explained in more detail below, when public infrastructure/ improvements/ amenities are part of a Private Project, the mitigation for the public part of the Private Project is incorporated into the Private Project mitigation requirement.

Because of the variation in the type and extent of public infrastructure, improvements, and amenities developed as part of private residential projects, distinctions between different types of residential projects are required. Distinctions are also required as State law limits and specifies the application of mitigation fees to ADUs.

- **Type I. Residential Development with Resident-Serving Public Improvements Only.** Residential projects whose public infrastructure, improvements, and amenities only serve project residents (e.g., in-tract roads, resident clubhouses, pocket parks, and parking for project resident/ guest use) and do not provide broader community access or benefits.

- **Type II. Residential Development with Community-Serving Public Improvements.** Residential projects that include the development of public infrastructure, improvements, and amenities that serve more than project residents alone; e.g., backbone infrastructure such as roads that serve beyond the project residents or parks and amenities that serve more than just the new residential units.

- **Type III. Accessory Dwelling Units**. State law restricts the imposition of mitigation fees on ADUs of less than 750 square feet and provides a formula for ADUs above this size. ADUs are considered a separate dwelling unit. At the time this manual was adopted, Government Code 65852.2(f)(3)(A) governed the fee for ADUs. Any amendments to this code shall therefore amend the methodology for calculating the LDMF on ADUs.

- **Type IV. Additions and Renovations.** The LDMF fee shall be paid for residential additions and renovations that add square footage beyond what currently exists on the property, if the LDMF was not previously paid on the property. The LDMF will be calculated by applying the same methodology used for Type III Accessory Dwelling Units. If the LDMF fee was previously paid on the residential property, no additional fees are required for additions or renovations to the main home even if additional square footage is added.

c. Mixed-Use Projects

The mixed-use category of Private Projects encompasses projects that include private residential and private non-residential uses. The mixed-use project category is divided into two types because of the two distinct mixed-use project forms – horizontally mixed-use and vertically mixed-use.

- **Type I. Horizontally Mixed-Use Projects.** Mixed-use projects where a distinct portion of the project land area is developed as residential and a distinct portion as non-residential. For example, a project that includes a residential subdivision and neighborhood shopping center.

- **Type II. Vertically Mixed-Use Projects**. Mixed-use projects where one or more land use is developed vertically above another. For example, a project where apartment units are developed above ground floor retail.

2. Private Project Mitigation Fee Schedule

The updated 2020 Nexus Study developed a consistent per gross acre mitigation fee. For residential projects, this per gross acre fee was then translated into per residential unit fees for three different residential development density categories (to allow for a continuation of the existing fee structure). The mitigation fee schedule is shown in Table 3-1 and includes the mitigation fees provided under the updated 2020 Nexus Study (actual fee levels will vary with fee phase-in and annual adjustments).

Table 3-1: Updated Fee Levels (effective January 1, 2022)

Development Type		Fee	
Residential Development			
Low Density	(fewer less than or equal to 8.0 units per Gross Residential Project Acre)	$3,635	per Unit
Medium Density	(between 8.0 and 14.0 units per Gross Residential Project Acre)	$1,515	per Unit
High Density	(more than 14.0 units per Gross Residential Project Acre)	$670	per Unit
Non-Residential Development			
Commercial/ Industrial/ Non-Residential Mitigation Fee[1]		$16,358	per Gross Project Acre

[1] The per gross acre also applies to the public components to private projects and to certain types of public and PSE Projects.

Private Project Mitigation Fee Calculations by Project Type

The table below shows the mitigation payment approach for residential projects.

Table 3-2: Mitigation Payment Approach for Residential Projects

PRIVATE PROJECT MITIGATION PAYMENT APPROACH - RESIDENTIAL

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF RESIDENTIAL PROJECTS *

Residential Developments - Type I
Residential Development with Resident-Serving Public Improvements Only

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. Type I Residential Development cannot include any public improvements that serve beyond the project residents (i.e. only resident-serving public improvements; not "community-serving" public improvements)

Residential Developments - Type II
Residential Development with Community-Serving Public Improvements

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of community-serving Public Improvements x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. Type II Residential Development includes "Community-serving" Public Improvements that serve beyond the project residents and are not covered by the per residential unit mitigation fee
3. Gross Project Acres = Gross Residential Project Acres + Gross Community-Serving Public Improvement Acres

Residential Developments - Type III & IV
Development of an Accessory Dwelling Unit (ADU) or Additions/Renovations

Fee Calculation:
Fee Payment for ADUs or Additions/Renovations of less than 750 square feet
= $0
Fee Payment for ADUs or Additions/Renovations of 750 or more-square feet
= Per Unit Mitigation Fee for Appropriate Density Category x (ADU or Addition/Renovation square feet / Primary (Current) Residence square feet)

Notes:
1. California Government Code 65852.2(f)(3)(A) (as of September 13, 2021) provides the basis for calculating fees on ADUs. Jurisdictions should monitor any amendments to this state code or other state laws that govern fees on ADUs.
2. The above code does not allow charging of mitigation fees to ADUs of less than 750 square feet
3. The above code provides the formula for calculating fee payments by larger ADUs
4. Density Category = Total Lot Square Footage/1 acre.
5. Fees Previously Paid - If the LDMF fee was previously paid on the residential property, no additional fees are required for additions or renovations to the main home even if additional square footage is added.
6. Fees Not Previously Paid - The LDMF shall be paid for residential additions or renovations if the LDMF was not previously paid on that property. The fee is calculated using the state code for ADUs.

* The term "Public Improvements" is used as a collective term for all Public Infrastructure, Improvement, and Amenities.

The table below shows the approach for non-residential projects and mixed-use projects.

Table 3-3: Mitigation Payment Approach for Non-Residential and Mixed-Use Projects

MITIGATION PAYMENT FORMULA FOR NON-RESIDENTIAL AND MIXED USE PROJECTS *

Non Residential Projects
All Non-Residential Projects

Fee Calculation:
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Notes:
1. Gross Project Acres include all project acres including non-residential development areas and all associated project acreage (i.e. including all parking, landscaping, public improvements etc.)

Mixed-Use Project - Type I
Horizontally mixed-use project with residential and non-residential private development

Fee Calculation:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of Community-serving Public Improvements x Per Gross Acre Fee
plus Gross Acres of Non-Residential Development x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Residential Project Acres
2. All gross project acres outside of the Gross Residential Project Acres contribute through the per gross acre fee

Mixed-Use Project - Type II
Vertically mixed-use project with residential and non-residential private development

Fee Payment is the higher of two (2) calculations:

Calculation 1: Fee Payment = Gross Project Acres x Per Gross Acre Fee

Calculation 2:
Fee Payment = Number of Residential Units x Per Unit Mitigation Fee for Appropriate Density Category
plus Gross Acres of Community-serving Public Improvements x Per Gross Acre Fee

Notes:
1. Density Category = Total Number of Residential Units / Gross Project Residential Acres
(Gross Residential Acres = Gross Project Acres minus Community-serving Public Improvements Acres)

* The term "Public Improvements" is used as a collective term for all Public Infrastructure, Improvement, and Amenities.

Key definitions associated with the above mitigation formula table include:

- **Gross Project Area/ Acres**. This is the total or gross areas of the project. This overall acreage can only be reduced under unique circumstances.[6]

- **Gross Residential Area/ Acres**. This is the total area of the project dedicated to residential land uses and includes residential buildings as well as "Project Resident-Serving" Infrastructure/ Improvements/ Amenities.

- **Project Resident-Serving Infrastructure/ Improvements/ Amenities.** Infrastructure/ improvements, and amenities that only serve project residents and include, but are not limited to, roads, parks, and non-residential buildings that only serve project residents.

- **Gross "Community-Serving" Area/ Acres**. This is the area of residential projects that provide infrastructure, improvements, and amenities that go beyond only serving project residents and hence are "community-serving". This includes, but is not limited to, roads that serve multiple projects, parks that serve more than one residential project, parking that serves other uses/ developments etc. The acreage associated with these improvements/ amenities are part of the gross project acreage but distinct from project resident-serving improvements/ amenities and the gross residential area.

For further clarification, mitigation fee payment calculations for illustrative Private Projects are provided in **Chapter IV**.

C. Public Projects

This section categorizes the different types of Public Projects and the associated mitigation payment requirements. The MSHCP, Implementing Agreement, and other documents established the mitigation system for Public Projects that includes a mix of approaches typically tied to a percent of capital cost or the adopted per gross acre mitigation fee for non-residential uses. The mitigation payments for road projects are more complex as certain funding sources (Measure A and TUMF) provide direct mitigation payments for the portions of transportation projects they fund. **Chapter IV** provides illustrative examples of selected Public Projects to further clarify and support the calculation of the appropriate mitigation payment.

1. Public Project Types

Public Projects include the full range of projects that provide public infrastructure, improvements, or amenities. This includes, but is not limited to, public roads, parks, libraries, administrative facilities, jails, courts, and flood control projects among others. As

[6] Specifically, the MSHCP exempts flood control areas that cannot be developed from mitigation fee calculations.

described in the following section, certain public/ quasi-public improvements are covered as Participating Special Entity projects (the third major project category type). These include public (and private) utility districts/ companies, School Districts, Special Districts, and other quasi-public entities.

Per the MSHCP, Implementing Agreement, and other documents, the mitigation payment requirement/ obligation varies between the following Public Project types.

- **City/ County Road Projects**. Includes all City and County road projects.

- **City/County Civic Projects**. Includes all non-road City and County projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, and all other facilities that serve the public.

- **Riverside County Flood Control District Projects**. Includes all Riverside County Flood Control District projects.

As noted in the MSHCP and the Implementing Agreement, mitigation contributions for Caltrans Projects are intended to be covered through a combination of Measure A funds, 3,000 acres of land dedication, and support for the endowment and ongoing positions. Mitigation for federal projects (e.g., development of a federal building) occurs through the Section 7 consultation process of the Federal Endangered Species Act; in some cases, these projects might be required to provide mitigation similar to those of other Public Projects under the MSHCP.

2. Mitigation Requirements and Transportation Funding Sources

For transportation projects, the mitigation payment calculations are more complicated due to the distinct mitigation payments/ contributions directly incorporated into certain types of transportation funding, as described below:

- **TUMF Funding**. The TUMF includes a small component tied to the mitigation of the portions of projects funded by TUMF revenues. This portion of the TUMF is passed directly from WRCOG to the RCA. As a result, the proportion of transportation projects that are funded by TUMF revenues are netted out from transportation project mitigation payments (described in more detail below).

- **Measure A Funding**. A portion of the Measure A sales tax revenues was collected and provided to the RCA to support MSHCP implementation. This contribution represented the mitigation payment for the portions of projects funded with Measure A dollars. As a result, the proportion of transportation projects that are funded by Measure A funds are netted out from transportation project mitigation payments (described in more detail below).

- **Federal Funding**. Unlike TUMF and Measure A funding, direct mitigation funding has not been provided for the portions of transportation projects that are federally funded. As a result, federal funding is not excluded from the mitigation payment calculation. It is recommended that Local Permittees incorporate the mitigation payment associated with federally funded portions of their transportation projects into any grant applications for federal transportation funding.

3. Public Project Mitigation Payment Approaches

There are two primary approaches that underlie the calculation of Public Project mitigation payments, including:

- **Per Gross Acre Fee Payments**. For some Public Projects, the required mitigation payment is based on the application of the per gross acre fee to the gross project acres. The per gross acre fee is the same fee that applies to Private Projects. The fee will vary each year/ periodically and is calculated at $16,358 per Gross Project Acre in the updated 2020 Nexus Study.

- **Percent of Construction Costs**. For some Public Projects, the mitigation payment requirement is three (3) percent or five (5) percent of total construction costs (described in more detail below).

4. Public Project Mitigation Fee Calculations by Project Type

The table below shows fee calculations for different Public Projects types.

Table 3-4: Mitigation Payment Approach for Public Projects

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF PUBLIC PROJECTS

City/ County Road Projects
All City and County Road Projects

Fee Calculation:
Fee Payment = 5% x Total Construction Costs

Notes:
1. Applies to all new road projects, all road widening projects, and other road investments that are not maintenance efforts.
2. The proportion of total project costs covered by TUMF funding and Measure A funding is discounted from the total construction costs (where applicable) prior to fee payment calculation.
3. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

City/ County Civic Projects
All City and County (non-road) public projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, or other facilities that serve the public.

Fee Calculation:
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Notes:
1. No exceptions unless specifically noted in the Ordinance.
2. School District, Special District, and certain other public projects are covered as PSE's.

Riverside County Flood Control District Projects
All Riverside County Flood Control District projects

Fee Calculation
Fee Payment = 3% x Total Construction Costs

Notes
1. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

D. Participating Special Entity Projects

Participating Special Entities ("PSE's") are entities that are not formally covered under the MSHCP but are allowed to obtain the same MSHCP streamlined permitting by making the appropriate mitigation payments. This section categorizes the different types of PSE projects and the associated mitigation payment requirements. The mitigation payment system for PSE projects is similar to the one for public projects and includes a mix of approaches typically tied to percent of construction costs or the adopted per gross acre mitigation fee for non-residential uses.

1. PSE Project Types

Participating Special Entities includes entities/ agencies such as public and private utility districts/ companies, School Districts, Special Districts, and Quasi-Public entities, among others. Public water districts, private water companies, telecommunication companies, Investor Owned Utilities (IOU's), Schools, Colleges, and Universities would all fall in this project category.

The mitigation payment requirement/ obligation varies between the following Public Project types.

- Non-Linear Projects. Includes all projects that are non-linear in form.
- Linear Projects. Includes all linear projects with differentiation in payment amount between permanent and temporary projects.

2. PSE Mitigation Payment Approaches

There are two primary approaches that underlie the calculation of Public Project mitigation payments, including:

- Per Gross Acre Fee Payments. For non-linear Public Projects, the required mitigation payment is based on the application of the per gross acre fee to the gross project acres. The per gross acre fee is the same fee that applies to Private Projects. The fee will vary each year/ periodically and is calculated at $16,358 per Gross Project Acre in the updated 2020 Nexus Study.
- Percent of Construction Costs. For linear projects, the mitigation payment requirement is 5 percent of total construction costs for permanent impacts and three (3) percent of total construction costs for temporary impacts.

3. PSE Project Mitigation Fee Calculations by Project Type

The table below shows fee calculations for different PSE project types.

Table 3-5: Mitigation Payment Approach for PSE Projects

MITIGATION PAYMENT FORMULA FOR DIFFERENT TYPES OF PSE PROJECTS

Non-Linear Projects
All PSE projects that are not linear in form

Fee Calculation:
Fee Payment = Gross Project Acres x Per Gross Acre Fee

Linear Projects - Permanent Impacts
All PSE projects that are linear in form and permanent

Fee Calculation
Fee Payment = 5% *x* Total Construction Costs

Linear Projects - Temporary Impacts
All PSE projects that are linear in form and temporary

Fee Calculation
Fee Payment = 3% *x* Total Construction Costs

Notes
1. Total construction costs are a portion of total project costs. Total construction costs include all direct/ hard costs, including contingencies and change orders. ROW acquisition costs and soft costs are not included in total construction costs.

CHAPTER IV. MITIGATION PAYMENT EXAMPLES

This chapter provides illustrative fee calculations for examples of Private and Public Projects. Building off the comprehensive description of mitigation requirements and formulae by project type in **Chapter III**, this chapter provides fee calculations for an illustrative set of projects. Illustrative examples were developed for a range of circumstances and are designed to help Local Permittees identify the appropriate approach for estimating mitigation payments. The examples included in this chapter are for illustration purposes only. In the event of a conflict between these examples and the Fee Ordinance of the applicable City/County, the Fee Ordinance shall control the administration of the Local Development Mitigation Fee. Please contact RCA staff if you are unclear on how to conduct the mitigation payment calculation for a particular project.

A. Private Projects: Residential/Mixed Use Examples

This section contains six (6) examples of private development projects, including four (4) residential projects and two (2) mixed-use projects. More specifically, the include:

- Example 1: All Residential – Low Density
- Example 2: All Residential – Low Density **–** including Backbone Road Construction
- Example 3: All Residential – High Density - including Backbone Road Construction
- Example 4: All Residential – Combination of Densities
- Example 5: Horizontal Mixed Use – Residential/ Commercial – including Backbone Road Construction
- Example 6: Vertical Mixed Use – Residential/ Commercial

These examples are not intended to be all inclusive but rather give permittees guidance on calculating the mitigation fee payment given different project types and characteristics. Included in each example is a narrative of the example project, a figure representation of the project layout, the development program description, and the mitigation fee calculation. No stand-alone commercial project examples are included as the application of the per gross acre mitigation fee to the gross project acres is universal for all non-residential Private Projects.

Example 1 - All Residential – Low Density

Residential project to be developed on a total of ten acres (area inside red boundary). The project will include residential units, a community building/ area for the residents of the development (project residents only), and streets within the development (in-tract streets). All roads leading to the development have already been built and do not require investments by the developer. A total of 50 residential units are planned within the ten gross acres, resulting in an average residential density of five units per acre. This represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 1-1), the development program data (Table 1-1), and mitigation payment calculation (Table 1-2) below.

Figure 1-1: Illustrative Project Layout

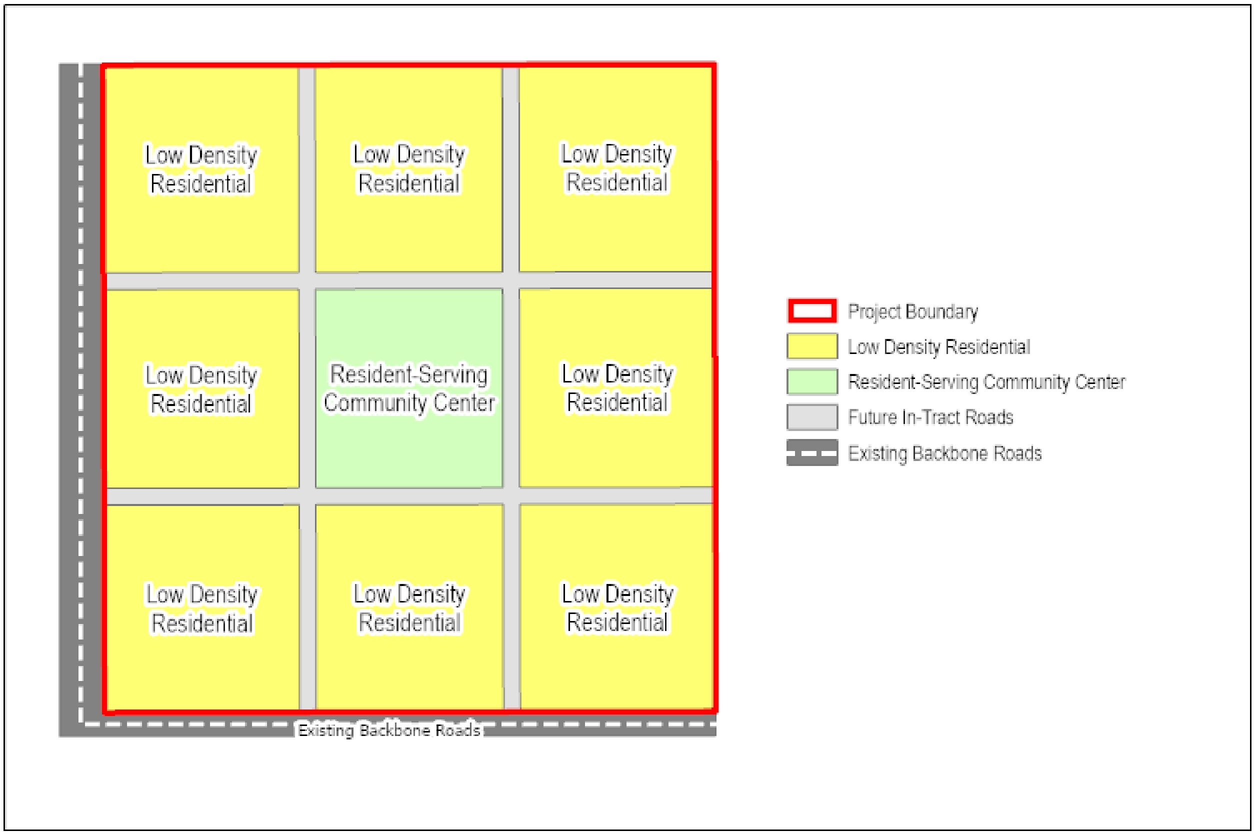


Table 1-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**10**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 1-2: Mitigation Fee Payment Calculation

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	50 units	$3,635 (low density)	$181,750
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$181,750**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

<u>Residential Development</u>		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
<u>All Other Development</u>	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 2 – All Residential – Low Density – Including Backbone Road Construction

Residential project to be developed on a total of 12.5 acres (inside red boundary). The project will include residential units, a community building/ area for the residents of the development (project residents only), streets within the development (in-tract streets), and new streets leading to the project (backbone/ community-serving streets). The member agency has required the builder to construct backbone roads as a condition of the permit. The backbone roads will be built on an additional 2.5 acres of land distinct from the 10 acres that will incorporate the residential development and project resident-serving improvements/ amenities. A total of 50 residential units are planned within the 10 gross acres (gross residential acres) that exclude the backbone/community-serving infrastructure. This results in an average residential density of five units per acre and represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 2-1), the development program data (Table 2-1), and the mitigation payment calculation (Table 2-2) below.

Figure 2-1: Illustrative Project Layout

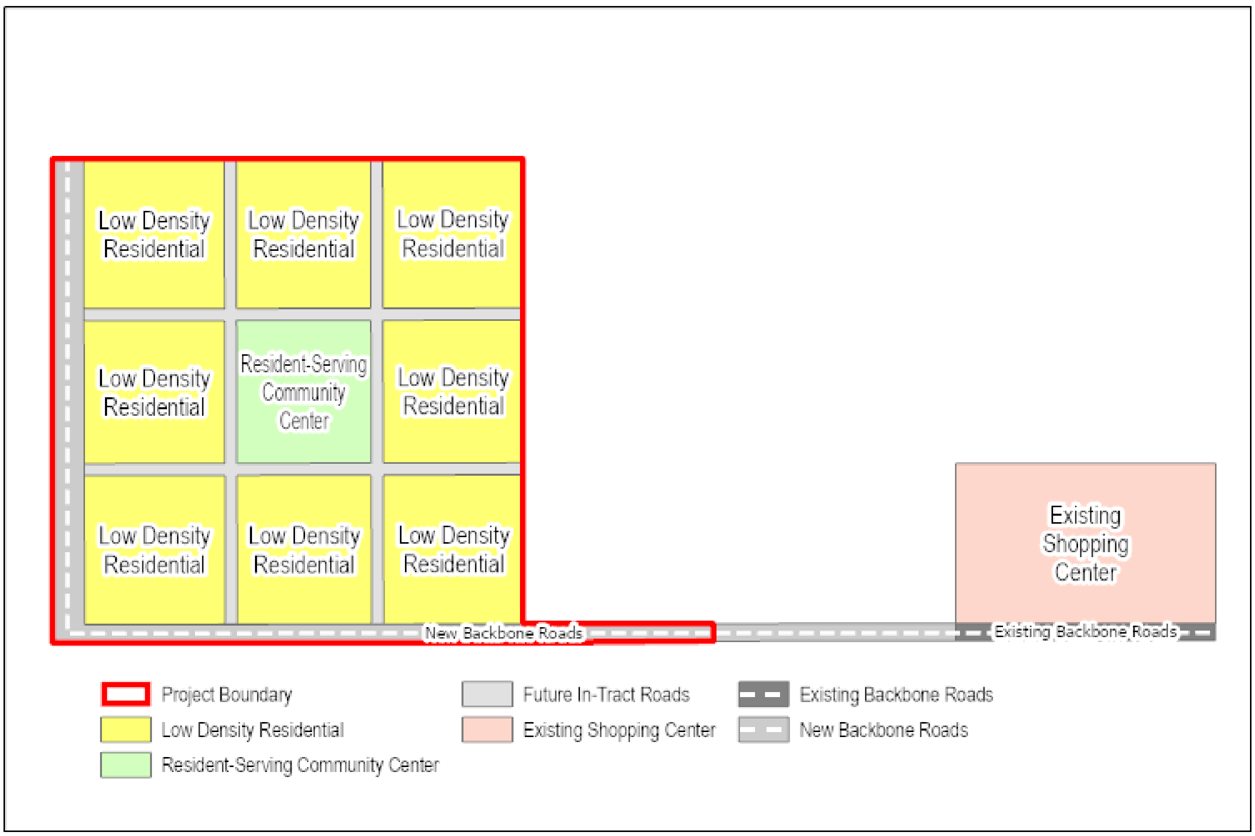


Table 2-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**12.5**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	2.5	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 2-2: Mitigation Payment Calculation

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	50 units	$3,635 (low density)	$181,750
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	2.5 acres	$16,358	$40,895
Total Mitigation Fee Payment (5)			**$222,645**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 3 – All Residential – High Density – Including Backbone Road Construction

Residential project to be developed on a total of 12.5 acres (inside red boundary). The project will include residential units, a community building/area for the residents of the development (project residents only), streets within the development (in-tract streets), and new streets leading to the project (backbone/ community-serving streets). The member agency has required the builder to construct backbone roads as a condition of the permit. The backbone roads will be built on an additional 2.5 acres of land distinct from the 10 acres that will incorporate the residential development and project resident-serving improvements/ amenities. A total of 200 residential units are planned within the 10 gross acres that exclude the backbone/ community-serving infrastructure. This results in an average residential density of 20 units per acre and represents a high-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 3-1), the illustrative development program data (Table 3-1), and the mitigation payment calculation (Table 3-2) below.

Figure 3-1: Project Layout

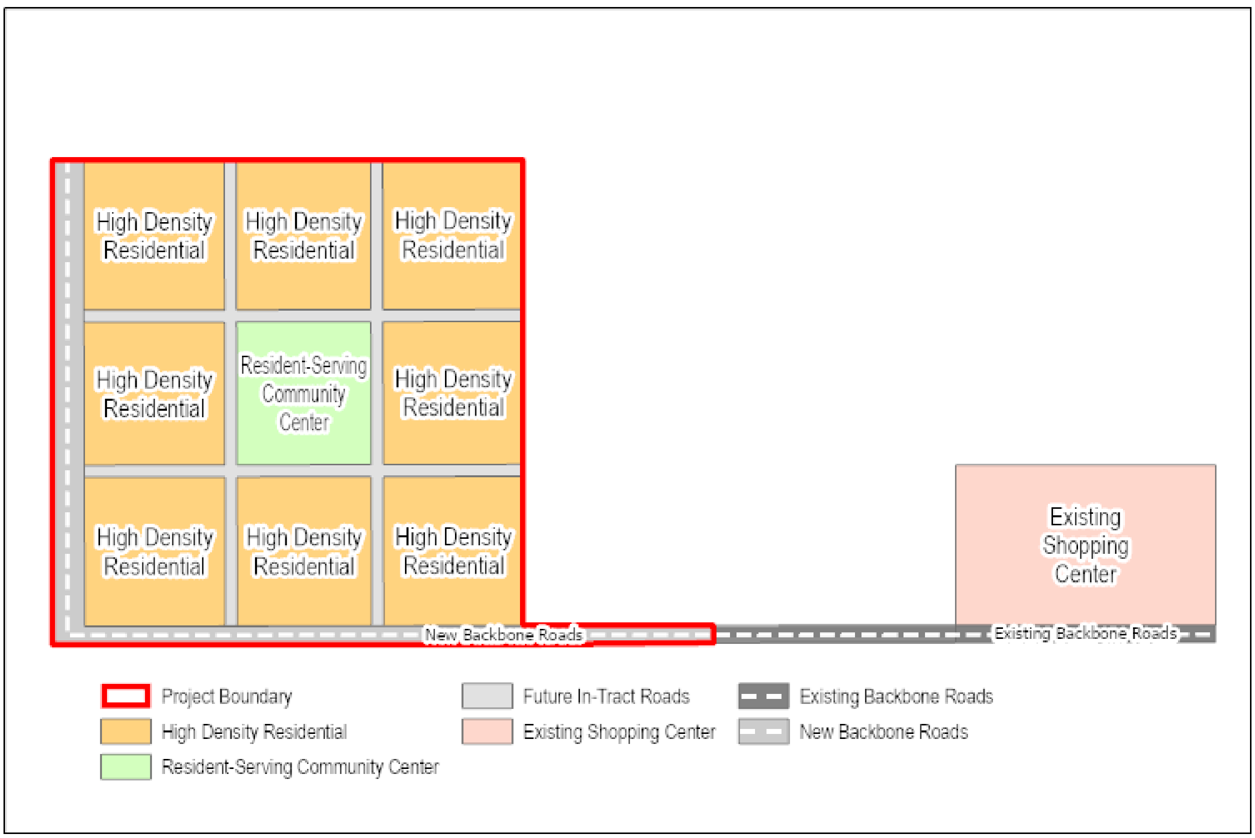


Table 3-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**12.5**	**acres**
Residential Development Area		
Residential Development Area	8.00	
In-Tract/ Project Resident Serving (Residential)	2.00	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	2.5	
Residential Development		
Low Density (1)	0	
Medium Density (1)	0	
High Density (1)	200	
Total Units	**200**	**units**
Residential Project Density		
Residential Project Density	20	units/ acre
Residential Fee Density Category (1)	HIGH	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 3-2: Mitigation Payment Calculation

Item	Units/ Acres		Per Unit/ Per Acre Mitigaiton Fee (1)		Mitigation Fee Payment
Residential Development (2)	200	units	$670	(high density)	$134,000
Non-Residential Development (3)	0	acres	$16,358		$0
Backbone/ Community-Serving (4)	2.5	acres	$16,358		$40,895
Total Mitigation Fee Payment (5)					**$174,895**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 4 – All Residential – Combination of Densities

Residential project to be developed on a total of 7.25 acres (area inside red boundary). The project will include residential units, a community building/area for the residents of the development (project residents only), and streets within the development (in-tract streets). All roads leading to the development have already been built and do not require investments by the developer. A total of 50 residential units are planned within the 7.25 gross acres, including a mix of low- and high-density development. The 50 residential units planned on 7.5 gross acres result in an average residential density of 6.9 units per acre. This represents a low-density residential project for the purpose of the fee program. Please see the visual representation of the project layout (Figure 4-1), the illustrative development program data (Table 4-1), and the mitigation payment calculation (Table 4-2) below.

Figure 4-1: Illustrative Project Layout

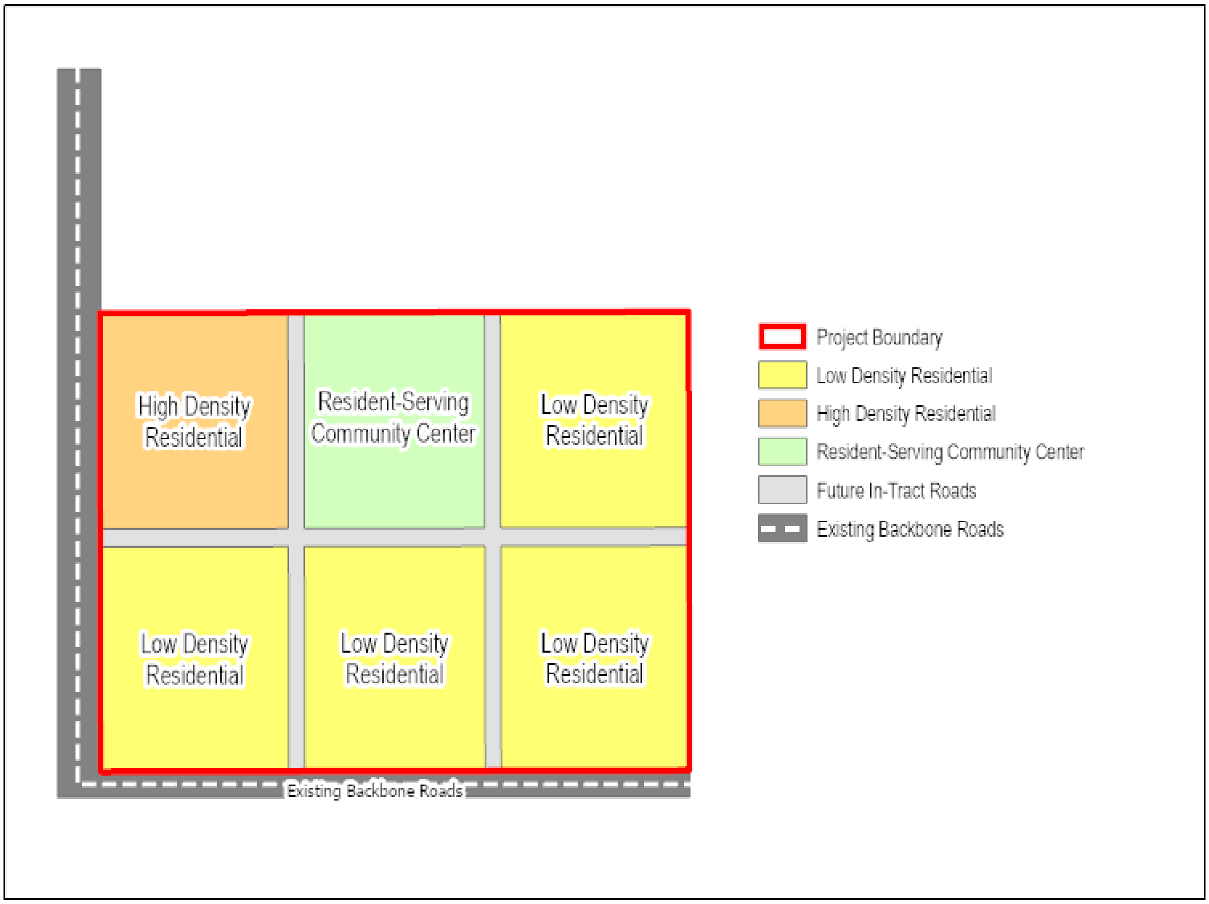


Table 4-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**7.25**	**acres**
Residential Development Area		
Residential Development Area	5.75	
In-Tract/ Project Resident Serving (Residential)	1.50	
Total/ Gross Residential Acres	7.25	
All Other Development		
Non-Residential Development Area	0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	25	
Medium Density (1)	0	
High Density (1)	25	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	6.9	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 4-2: Mitigation Payment Calculation

Item	Units/ Acres		Per Unit/ Per Acre Mitigaiton Fee (1)		Mitigation Fee Payment
Residential Development (2)	50	units	$3,635	(low density)	$181,750
Non-Residential Development (3)	0	acres	$16,358		$0
Backbone/ Community-Serving (4)	0	acres	$16,358		$0
Total Mitigation Fee Payment (5)					**$181,750**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.
(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.
(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.
(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 5 – Horizontal Mixed Use – Residential and Commercial – Including Backbone Road Construction

Mixed use project to be developed on a total of 22.5 acres (inside red boundary). Residential project to be developed on ten acres. The project will include three components: (1) residential units, a community building/area for the residents of the development (project residents only), and streets within the residential development (in-tract streets); (2) a commercial development (e.g. shopping center) and project -serving improvements (e.g. parking, landscaping, and any other component that is not restricted to use by the residents only); and, (3) backbone/community serving roads on 2.5 acres of land that the member agency has required the builder to construct as a condition of the permit. A total of 50 residential units are planned within the 10 gross residential acres that exclude the backbone/community-serving infrastructure and the commercial development. This results in an average residential density of five units per acre, meaning that the residential component of the project is low density for the purpose of the fee program. Please see the visual representation of the project layout (Figure 5-1), the illustrative development program data (Table 5-1), and the mitigation payment calculation (Table 5-2) below.

Figure 5-1: Illustrative Project Layout

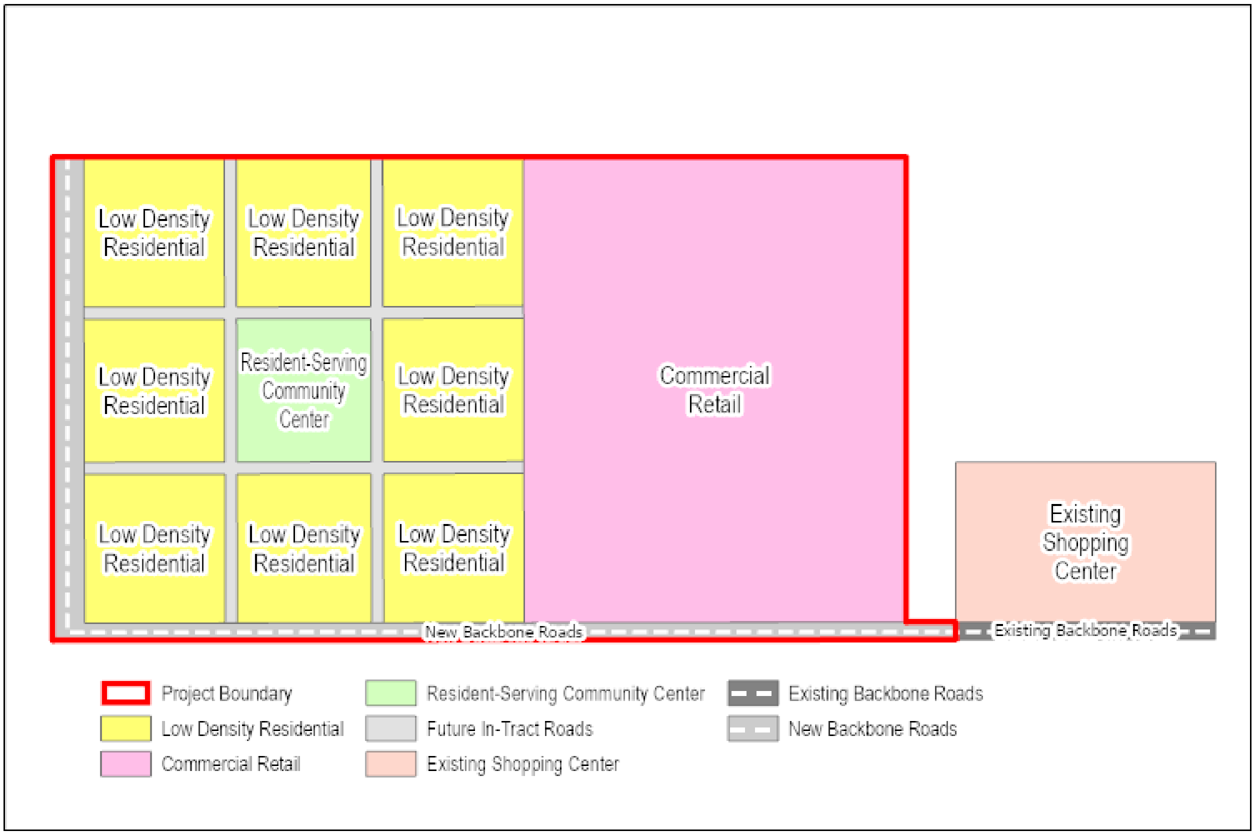


Table 5-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**22.5**	**acres**
Residential Development Area		
Residential Development Area	8.25	
In-Tract/ Project Resident Serving (Residential)	1.75	
Total/ Gross Residential Acres	10.00	
All Other Development		
Non-Residential Development Area	10.0	
Backbone/ Area-Serving	2.5	
Total Non-Residential Development	12.5	
Residential Development		
Low Density (1)	50	
Medium Density (1)	0	
High Density (1)	0	
Total Units	**50**	**units**
Residential Project Density		
Residential Project Density	5.0	units/ acre
Residential Fee Density Category (1)	LOW	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 5-2: Mitigation Fee Payment Calculation

Item	Units/ Acres		Per Unit/ Per Acre Mitigaiton Fee (1)		Mitigation Fee Payment
Residential Development (2)	50	units	$3,635	(low density)	$181,750
Non-Residential Development (3)	10	acres	$16,358		$163,580
Backbone/ Community-Serving (4)	2.5	acres	$16,358		$40,895
Total Mitigation Fee Payment (5)					**$386,225**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.

(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.

(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.

(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Example 6 – Vertical Mixed Use – Residential and Commercial

Mixed use project to be developed on a total of 3 acres (inside red boundary). The project will include a podium at street level that will include commercial/ retail as well as parking, residential units in the stories above the podium, as well as streets within the project area (in-tract streets). A total of 90 residential units are planned within the 3-acre project area. This results in an average residential density of 30 units per acre, meaning that the residential component of the project is high density for the purpose of the fee program. Please see the visual representations of the project layout (Figures 6-1 and 6-2), the illustrative development program data (Table 6-1), and the mitigation payment calculations (Tables 6-2 and 6-3) below. Two calculations must be conducted for mixed-use vertical projects and the higher of the two calculations must be used. One calculation treats the project like a residential project and the other calculation treats it like a commercial project. In the example below, the mitigation payment is $60,300 under the first method and $49,300 under the second method, so $60,300 payment applies.

Figure 6-1: Illustrative Project Layout – Residential and Commercial Vertical View

Figure 6-2: Illustrative Project Layout – Residential and Commercial Horizontal View

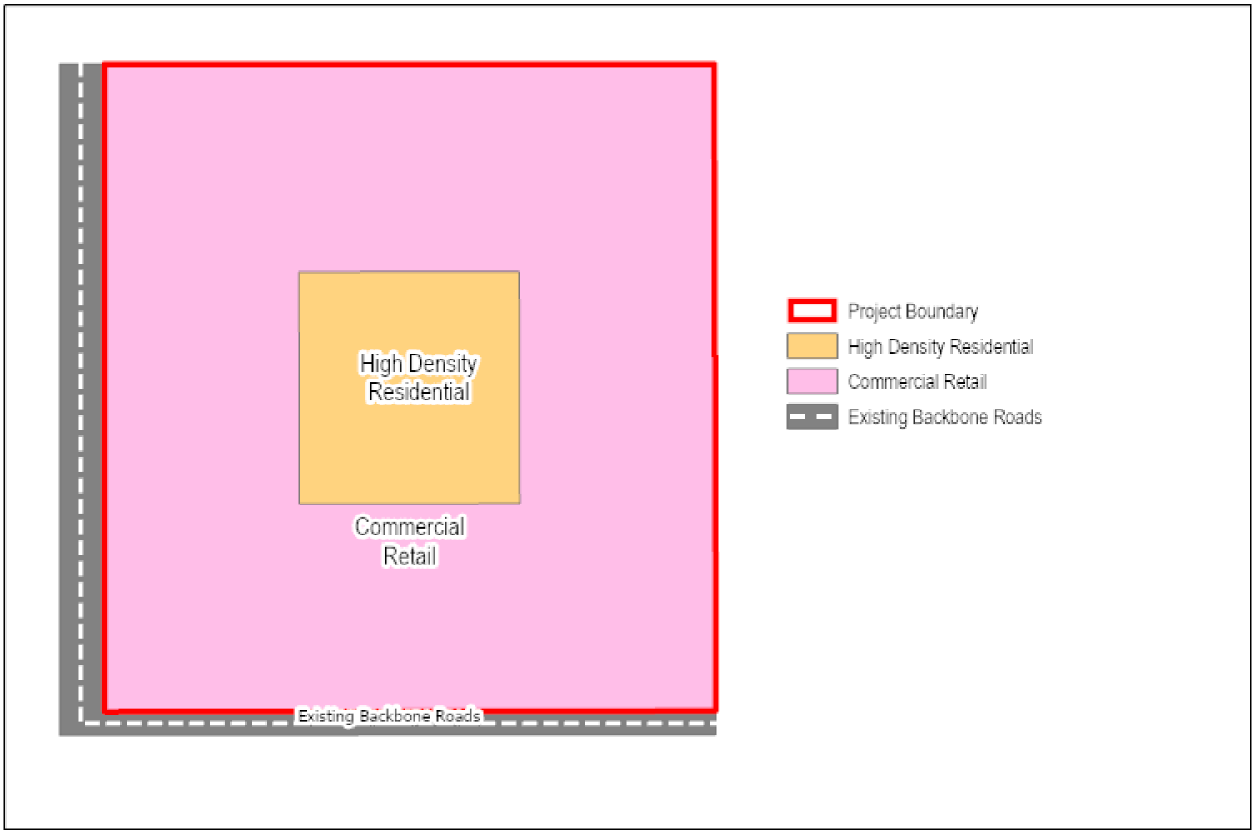


Table 6-1: Illustrative Development Program

Item	Amount	
Gross Project Area	**3**	**acres**
Residential Development Area		
Residential Development Area	2.75	
In-Tract/ Project Resident Serving (Residential)	0.25	
Total/ Gross Residential Acres	3.00	
All Other Development		
Non-Residential Development Area	0.0	
Backbone/ Area-Serving	0	
Total Non-Residential Development	0	
Residential Development		
Low Density (1)	0	
Medium Density (1)	0	
High Density (1)	90	
Total Units	**90**	**units**
Residential Project Density		
Residential Project Density	30.0	units/ acre
Residential Fee Density Category (1)	HIGH	

(1) Residential density categories as follows:
- Low Density - less than or equal to 8 residential units/ gross residential acre.
- Medium Density - greater than 8 and less than 16 residential units/ gross residential acre.
- High Density - greater than 16 residential units/ gross residential acre.

Table 6-2: Mitigation Fee Payment Calculation – Method 1 (Residential Focus)

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	90 units	$670 (high density)	$60,300
Non-Residential Development (3)	0 acres	$16,358	$0
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$60,300**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.
(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.
(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.
(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

Table 6-3: Mitigation Fee Payment Calculation – Method 2 (Commercial/ Project Area Focus)

Item	Units/ Acres	Per Unit/ Per Acre Mitigaiton Fee (1)	Mitigation Fee Payment
Residential Development (2)	0 units	$670 (high density)	$0
Non-Residential Development (3)	3 acres	$16,358	$49,074
Backbone/ Community-Serving (4)	0 acres	$16,358	$0
Total Mitigation Fee Payment (5)			**$49,074**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Residential Development		
Low Density (on average)	$3,635	per unit
Medium Density (on average)	$1,515	per unit
High Density (on average)	$670	per unit
All Other Development	$16,358	per gross acre

(2) Residential mitigation fee payment covers residential units and associated in-tract infrastructure/ improvements and project resident-serving amenities. All infrastructure, improvements, and amenities that serve beyond the projet residents is covered in separate component of the fee calculation.
(3) Includes land area associated with non-residential development, such as commercial/ industrial buildings, parking, and landscaping, among other components.
(4) All infrastructure/ improvements/ amenities that serve beyong the project/ project residents and that are not included in the non-residential development fee payment calculation included here.
(5) Mitigation fee payment calculation does not include any additional member jurisdiction adminstrative charges.

B. Public Project Examples

This section contains four (4) examples of public development projects, including one (1) Member Agency Civic Project and three (3) transportation/ road projects. These examples are not intended to be all inclusive but rather give permittees guidance on calculating the mitigation fee payment given different project types, characteristics, and, in the case of road/ transportation projects, different sources of funding. The Member Agency Civic project example provides a brief narrative, a representation of the project layout, the development program description, and the mitigation payment calculation. The road/ transportation examples provide a brief narrative of the project, cost estimates, key funding source information, and the mitigation payment calculation. Graphic layouts for the public road projects are not provided as the mitigation payment calculation is tied to costs and funding sources (not the specific layout of the project.)

As described in Chapter III and illustrated in the private project examples provided above in this chapter, mitigation payments for road and Member Agency Civic Projects that are developed by a private developer as part of a Private Project are calculated and made as part of the Private Project development mitigation payment.

Example 7 – Member Agency Civic Project

Member Agency Civic Projects includes the development of a library and park with adjacent parking lot. The parking lot will also serve as a park and ride location. The total acreage of the project is 6 acres (area inside red boundary). Please see the visual representation of the project layout (Figure 7-1), the development program data (Table 7-1), and mitigation payment calculations (Table 7-2) below.

Figure 7-1: Project Layout

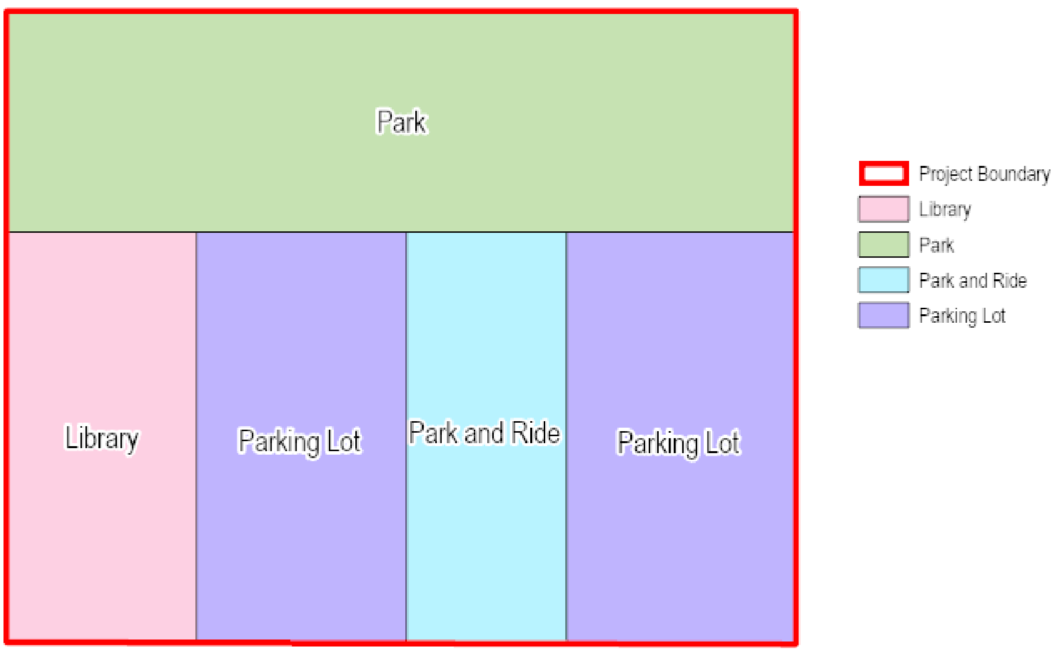


Table 7-1: Illustrative Development Program

Item	Amount
Library Area	1.0 acres
Park	2.0 acres
Parking Area	
Park and Ride Area	1.0 acres
General Parking Lot	2.0 acres
Subotal - Parking	3.0 acres
Gross Project Area	**6.0 acres**

Table 7-2: Mitigation Payment Calculation

Item	Amount
Gross Project Acres	6.0 acres
Mitigation Fee per Gross Acre (2)	$16,358
Total Mitigation Payment	**$98,148**

(1) Fee schedule will be updated periodically. Fee schedule used for Example Calculations as follows:

Commerical/ Industrial* $16,358 per gross acre

* Per gross acre fee for Local Public Capital Projects is the same as for commerical/ industrial development.

Example 8 – Road Widening with No Measure A or TUMF Funding

Road widening project with no Measure A or TUMF funding. Whole project is required to mitigate as project falls into the "new road, road widening, and other non-maintenance road projects" category that are required to mitigate (only maintenance projects costs such as road rehabilitation, restriping, and resealing are not required to mitigate). Total project cost is estimated at $5.5 million, including total direct construction costs of $4.4 million (including the construction cost contingency), $1.1 million in soft costs, and no land/ ROW acquisition costs. Please see the example road project cost estimates data

(Table 8-1), the funding source information (Table 8-2), and the mitigation payment calculations (Table 8-3) below.

Table 8-1: Illustrative Project Costs

Cost Item	Cost
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)	
Construction Costs	
Base Construction Costs	$4,000,000
Changes Orders/ Contingency	$400,000 (3)
Total Construction Costs	**$4,400,000**
Soft Costs	**$1,100,000** (4)
Land Acquisition/ ROW Costs	$0
Total Capacity-Increasing Cost	**$5,500,000**
MAINTENANCE PROJECTS (2)	
Total Construction Costs	$0
Total Soft Costs	$0
Total Non-Capacity-Increasing Cost	**$0**
TOTAL PROJECT COSTS/ USES	**$5,500,000**

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(3) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(4) For illustrative purposes shown as 25% of total construction costs.

Table 8-2: Illustrative Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$0	0%
Meaure A Funding	$0	0%
Subtotal	$0	0%
Other Funding	$5,500,000	100%
TOTAL PROJECT FUNDING/ SOURCES	$5,500,000	100%

Table 8-3: Mitigation Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$5,500,000	a	See Table 8-1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 8-1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	100%	c	See Table 8-2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$4,400,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$220,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 8-2.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

Example 9 – Road Widening Project with 20% Measure A/ TUMF Funding

Road widening project with 20% of funding from Measure A and TUMF funding. Whole project is required to mitigate as project - new road, road widening, and other non-maintenance road projects are required to mitigate (only maintenance costs are not required to mitigate). However, 20 percent of the project will be mitigated separately through TUMF or Measure A funding. Total projects cost is estimated at $5.5 million, including total direct construction costs of $4.4 million (including the construction cost contingency), $1.1 million in soft costs, and no land/ ROW acquisition costs. Please see the example road project cost estimates data (Table 9-1), the funding source information (Table 9-2), and the mitigation payment calculations (Table 9-3) below.

Table 9-1: Illustrative Project Costs

Cost Item	Cost	
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)		
Construction Costs (2)		
Base Construction Costs	$4,000,000	
Changes Orders/ Contingency	$400,000	(3)
Total Construction Costs	**$4,400,000**	
Soft Costs	**$1,100,000**	(4)
Land Acquisition/ ROW Costs	$0	
Total Capacity-Increasing Cost	**$5,500,000**	
MAINTENANCE PROJECTS (2)		
Total Construction Costs	$0	
Total Soft Costs	$0	
Total Non-Capacity-Increasing Cost	**$0**	
TOTAL PROJECT COSTS/ USES	**$5,500,000**	

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(4) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(5) For illustrative purposes shown as 25% of total construction costs.

Table 9-2: Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$800,000	15%
Meaure A Funding	$300,000	5%
Subtotal	$1,100,000	20%
Other Funding	$4,400,000	80%
TOTAL PROJECT FUNDING/ SOURCES	**$5,500,000**	**100%**

Table 9-3: Mitigation Fee Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$5,500,000	a	See Table 1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	80%	c	See Table 2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$3,520,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$176,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 9-2. In cases where Measue A/ TUMF funding is allocated for specifc project cost categories, additional calculations and allocations may be appropriate. In these cases, please contact RCA staff and provide documentation of funding restrictions for support on the appriorate mitigation fee payment calcuation.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

Example 10 - Combined New Road/ Road Rehabilitation Project with 50% Measure A / TUMF Funding

Road project that includes the development of a new segment of road along with rehabilitation of a segment of existing roadway. Road project is 50% funded through Measure A or TUMF funds. Total project costs are $8 million. About $6 million is associated with the new road, including $4.4 million in direct construction costs (including the construction cost contingency), $1.1 million in soft costs, and $500,000 in land acquisition costs. About $2 million (25% of overall project cost) is associated with rehabilitation of the existing roadway, including $1.6 million in direct construction costs (including the construction cost contingency) and $400,000 in soft costs. Please see the example road project cost estimates data (Table 10-1), the funding source information (Table 10-2), and the mitigation payment calculations (Table 10-3) below.

Table 10-1: Cost Estimates

Cost Item	Cost	
NEW ROAD, ROAD WIDENING, OR OTHER NON-MAINTENANCE PROJECTS (1)		
Construction Costs (2)		
Base Construction Costs	$4,000,000	
Changes Orders/ Contingency	$400,000	(3)
Total Construction Costs	**$4,400,000**	
Soft Costs	**$1,100,000**	(4)
Land Acquisition/ ROW Costs	$500,000	
Total Capacity-Increasing Cost	**$6,000,000**	
MAINTENANCE PROJECTS (2)		
Total Construction Costs	$1,600,000	
Total Soft Costs	$400,000	(4)
Total Non-Capacity-Increasing Cost	**$2,000,000**	
TOTAL PROJECT COSTS/ USES	**$8,000,000**	

(1) Total Construction costs for new roads, road widening, and other non-maintenance projects are included in the mitigation fee payment calculation (see Table 8-3).
(2) Examples of maintenance projects include road rehabilitation, re-striping, and resealing. See Ordinance for full list of maintenance projects that are not required to mitigate.
(3) Initial fee payment calculations made on construction cost and construction contigency cost estimates. Additional fee payments also due on any change orders that add net costs above-and-beyond the initial construction cost contigency estimates
(4) For illustrative purposes shown as 10% of base construction cost. Contigency (and future Change Orders) will vary by project.
(5) For illustrative purposes shown as 25% of total construction costs.

Table 10-2: Funding Sources

Cost Item	Amount	% of Total
TUMF/ Measue A Funding		
TUMF Fee Revenues	$2,000,000	25%
Meaure A Funding	$2,000,000	25%
Subtotal	$4,000,000	50%
Other Funding	$4,000,000	50%
TOTAL PROJECT FUNDING/ SOURCES	**$8,000,000**	**100%**

Table 10-3: Mitigation Payment Calculation

Cost Item	Amount	Source/ Calculation	
TOTAL PROJECT COSTS	$8,000,000	a	See Table 1
TOTAL NON-MAINTENANCE CONSTRUCTION COSTS	$4,400,000	b	See Table 1
% of FUNDING FROM OTHER FUNDING SOURCES (1)	50%	c	See Table 2
ELIGIBLE COST BASIS FOR MITIGATION PAYMENT CALCULCATION	$2,200,000	d = b *c	Calculation
MITIGATION FEE PAYMENT DUE FROM LOCAL JURISDICTION (2)	**$110,000**	e = d * 5%	Calculation

(1) Other funding sources includes all costs not funded by TUMF or Measue A revenues as calculated in Table 10-2. In cases where Measue A/ TUMF funding is allocated for specifc project cost categories, additional calculations and allocations may be appropriate. In these cases, please contact RCA staff and provide documentation of funding restrictions for support on the appriorate mitigation fee payment calcuation.
(2) Mitigation fee paymet by permitting agency is 5% of eligible construction cost.

DEFINITIONS

(Including Definitions defined in the Fee Ordinances):

"Accessory Dwelling Unit" means an accessory dwelling unit as defined by California Government Code section 65852.2(j)(1), or as defined in any successor statute.

"City/County Civic Projects" means all non-road City and County projects, including City/ County administrative facilities, jails, courts, juvenile facilities, parks, libraries, and all other facilities that serve the public.

"City/ County Road Projects" means all City and County road projects.

"Construction Cost" means and includes the cost of the entire construction of the roadway project, including all supervision, materials, supplies, labor, tools, equipment, transportation and/or other facilities furnished, used or consumed, without deduction on account of penalties, liquidated damages or other amounts withheld from payment to the contractor or contractors, but such cost shall not include the Consulting Engineer/Architect's fee, or other payments to the Consulting Engineer/Architect and shall not include cost of land or Rights-of-Way and Easement acquisition.

"Credit" means a credit allowed pursuant to Section 10 of this Ordinance, which may be applied against the development impact fee paid.

"Development" means a human-created change to improved or unimproved real estate, including buildings or other structures, mining, dredging, filing, grading, paving, excavating, and drilling.

"Development Project" or **"Project"** means any project undertaken for the purpose of development pursuant to the issuance of a building permit by the City/County pursuant to all applicable ordinances, regulations, and rules of the City/County and state law.

"Fuel modification area" means an area established adjacent to structures or roads in which highly combustible native plants, invasive introduced, or ornamental plants are modified and/or totally replaced with fire resistant or drought resistant alternatives; or areas subject to hazardous abatement orders.

"Gross "Community-Serving" Area/ Acres" means the area of residential projects that provide infrastructure, improvements, and amenities that go beyond only serving project residents and hence are "community-serving". This includes, but is not limited to, roads that serve multiple projects, parks that serve more than one residential project, parking that serves other uses/ developments etc. The acreage associated with these improvements/ amenities are part of the gross project acreage but distinct from project resident-serving improvements/ amenities and the gross residential area.

“Gross Project Area/ Acres” means is the total or gross areas of the project. This overall acreage can only be reduced under unique circumstances.

“Gross Residential Area/ Acres” means the total area of the project dedicated to residential land uses and includes residential buildings as well as “Project Resident-Serving” Infrastructure/ Improvements/ Amenities.

“Hazardous vegetation” means vegetation that is flammable and endangers the public safety by creating a fire hazard, including, but not limited to, seasonal and recurrent weeds, stubble, brush, dry leaves, and tumbleweeds.

“Junior Accessory Dwelling Unit” means a junior accessory dwelling unit as defined by California Government Code section 65852.22(h)(1), or as defined in any successor statute.

“Linear Projects” means all linear PSE projects with differentiation in payment amount between permanent and temporary projects.

“Local Development Mitigation Fee” or **“Fee”** means the development impact fee imposed pursuant to the provisions of this Ordinance.

“Maintenance Projects” means projects that include, but are not limited to, pavement repairs, tree trimming, bridge maintenance, and pavement restriping and roadway reconstruction which do not add new lanes.

“Manufactured slope” means a slope created by natural landform alteration (grading), by cutting or filling a natural slope, or importing fill material to create a slope.

“Member Agency” or “Member Agencies” means those Cities and Counties that are signatories to the RCA Joint Powers Agreement.

“Multiple Species Habitat Conservation Plan” or **“MSHCP”** means the Western Riverside County Multiple Species Habitat Conservation Plan

“MSHCP Conservation Area” has the same meaning and intent as such term is defined and utilized in the MSHCP.

“Non-Linear Projects” means all PSE projects that are non-linear in form.

“Ordinance” means the Fee Ordinance adopted by the Cities and the County to implement the MSHCP Local Development Mitigation Fee.

“Private Projects” means those projects where the primary project purpose is for use by households, business, or other private entities (i.e. not accessible to the public except where allowed by private owner/ renter). This category also includes Private Projects that receive public support (e.g., support through direct public investments in infrastructure, ground leases of publicly owned land, or direct investment of public dollars in projects such as affordable housing).

“Project Area” means the area, measured in acres, within the Development Project including, without limitation, any areas to be developed as a condition of the Development Project. Except as otherwise provided herein, the Project Area is the area upon which the project will be assessed the Local Development Mitigation Fee. See the RCA Mitigation Fee Implementation Handbook Manual for additional guidance for calculating the Project Area.

“Project Resident-Serving Infrastructure/ Improvements/ Amenities” means Infrastructure/ improvements, and amenities that only serve project residents and include, but are not limited to, roads, parks, and non-residential buildings that only serve project residents.

“Public Projects” means all City/County Civic Projects and all City/County Road Projects. These Public Projects include infrastructure projects, civic projects and Riverside County Flood Control District projects.

“Revenue” or **“Revenues”** means any funds received by the City/County pursuant to the provisions of this Ordinance for the purpose of defraying all or a portion of the cost of acquiring and preserving vegetation communities and natural areas within the City/County and the region which are known to support threatened, endangered, or key sensitive populations of plant and wildlife species.

“Riverside County Flood Control District Projects” means all Riverside County Flood Control District projects.

“Western Riverside County Regional Conservation Authority” or **“RCA”** means the governing body established pursuant to the MSHCP that is delegated the authority to oversee and implement the provisions of the MSHCP.

Any capitalized term not otherwise defined herein shall carry the same meaning and definition as that term is used and defined in the MSHCP.

AGENDA ITEM 8

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

DATE:	August 18, 2021
TO:	Executive Committee
FROM:	Aaron Hake, Interim Regional Conservation Deputy Executive Director Theresia Trevino, Chief Financial Officer Matt Wallace, Deputy Director of Financial Administration Jennifer Fuller, Financial Administration Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Exploration of RCA Direct Collection of Local Development Mitigation Fees

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file a presentation regarding the Multiple Species Habitat Conservation Plan (MSHCP) Local Development Mitigation Fee (LDMF) collection and oversight process;
2) Discuss and provide direction to staff related to an assessment of the potential for RCA to directly collect LDMF on behalf of RCA Member Agencies; and
3) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

Board Member requests for RCA to directly collect fees

Members of the Board of Directors (Board) have requested that staff evaluate implementing a change in the process by which LDMF are collected by Member Agencies (e.g., cities and the County of Riverside). Board members have suggested that if RCA directly collected LDMF on behalf of Member Agencies, administrative costs to the Member Agencies may be reduced and streamlining may occur. It has also been suggested that staff review a similar program administered by the Western Riverside Council of Governments (WRCOG). Evaluation of a prepayment option has also been requested.

WRCOG TUMF Collection

In recent years, WRCOG began directly collecting Transportation Uniform Mitigation Fee (TUMF) revenue on behalf of certain member agencies who adopted ordinances for WRCOG to collect TUMF on the agencies' behalf. Member agency staff retain the responsibility to initiate and approve the fee calculation and payment process. WRCOG staff has shared its experiences and ideas with RCA staff. WRCOG's direct fee collection program became operative after approximately 9 months of preparation. Although TUMF is a program set up differently than the MSHCP, the WRCOG model demonstrates that a successful system is technically feasible, given it is built properly.

Preliminary feedback from WRCOG staff indicates that 14 of 19 member agencies utilize the direct collection option. Website and payment portal development and implementation costs were between $100,000 and $150,000 with annual licensing fees of $50,000. One full-time staff person is assigned to this effort with additional staff support from various departments. WRCOG does not accept fee prepayments.

Prepayment

When all RCA Member cities and the County recently adopted new LDMF ordinances to implement the 2020 Nexus Study, as required by the MSHCP and Implementing Agreement (IA), many developers sought to prepay fees prior to July 1, 2021, when the first phase of the fee increase went into effect. Allowance of fee prepayment is determined by each city's and the County's ordinance, which includes language as to when the fee is to be calculated (either at time of payment or time of permit issuance), and each city's and the County's administrative procedures. RCA has no legal authority to declare LDMF prepayment as allowed or disallowed within any city or unincorporated area. Development fees are directly imposed by the land use authorities, not the RCA. RCA communicated these facts to Member Agencies and developers regularly over the first six months of 2021 and supported each jurisdiction's decision as to whether to allow prepayment.

In the waning days of June 2021, some developers sought to prepay fees directly to RCA to circumvent city or County decisions on prepayment. RCA staff responded to each such request that RCA does not currently have a direct fee collection mechanism and, more importantly, RCA cannot overrule the laws and procedures of cities and the County.

If RCA proceeds with an assessment of establishing a direct fee collection mechanism, that mechanism will *not* supersede the individual ordinances and procedures of each city and the County regarding fee prepayment.

NEXT STEPS

Upon formal direction by the Board, staff is prepared to undertake a more detailed assessment of how a direct LDMF collection system could work. Staff would present findings from the formal assessment to the Board for a final decision on whether and how such a system should be implemented. Staff believes a proper assessment should look at items including, but not limited to:

- MSHCP and its IA language;
- Member Agencies' willingness to delegate fee collection to RCA;
- Development of software, financial, and legal processes to interface with Member Agencies regarding MSHCP fees to be collected;
- Costs or savings to RCA and Member Agencies related to implementation of direct fee collection process, including additional staffing; and
- Development of an implementation schedule.

If the Board votes to proceed with an assessment of RCA directly collecting LDMF, staff intends to procure a consultant to conduct the assessment due to limited staff resources. A consultant will assist staff and the Board by presenting an independent business-focused analysis based on experience that staff does not possess and produce the work sooner than if staff does the work.

Staff recommendation

Staff's role is to support Member Agencies, who are represented on the Board, in implementing their obligations as signatories to the MSHCP. If RCA's Member Agencies desire for RCA to accept a new role in administration of the MSHCP by directly collecting fees, staff is prepared to do the work. Therefore, staff recommends that if the Board votes to proceed with an assessment of how RCA could directly collect LDMF, the Board should direct staff to proceed with procurement of a consultant to conduct the assessment and the Board should be prepared to vote on a consultant contract in the coming months. Staff anticipates that the Board would receive the results of the assessment within 12-18 months.

FISCAL IMPACT:

There is no fiscal impact related to the presentation; however, staff estimates the cost of a consultant to perform a study and prepare an implementation plan for consideration is at least $50,000. Should the Board direct staff to conduct a procurement for a consultant, staff will bring forth an agenda item in several months, after a competitive procurement process, to award a contract to a consultant.

AGENDA ITEM 9

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	August 18, 2021
TO:	Executive Committee
FROM:	Hector Casillas, Right of Way Manager
THROUGH:	Anne Mayer, Executive Director
SUBJECT:	Acquisitions Status Report

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file the acquisitions status report as of July 31, 2021; and
2) Forward to the Board of Directors for final action.

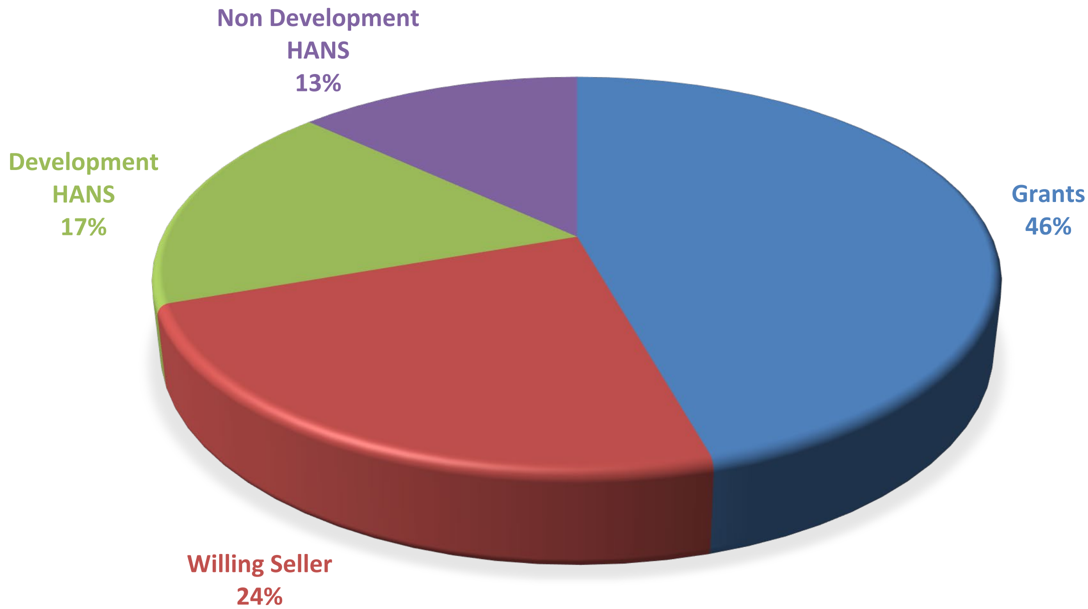
BACKGROUND INFORMATION:

The Board of Directors requested the Right of Way Department to provide a monthly report of the status of various acquisitions. This report is the first monthly report, and modifications can be made as is deemed necessary.

Since RCTC became the managing agency for RCA on January 1, 2021, 11 parcels closed escrow and 29 new parcels began the acquisition process. As of July 31, 2021, staff is managing 46 active parcels, including four new acquisition projects during July.

The attachment provides individual property details by type including location, owner representative, and acreage for active parcels as of July 31, 2021. Chart 1 illustrates the active parcels by type of acquisition: grant-funded, development Habitat Evaluation and Acquisition Negotiation Strategy (HANS), non-development HANS, and willing seller.

Chart 1: Active Parcels by Type



FISCAL IMPACT:

This is an information item. There is no fiscal impact.

Attachment: Status of Right of Way Acquisitions as of July 31, 2021

Western Riverside County Regional Conservation Authority
Status of Acquisitions
As of July 31, 2021

Project Number	Location	Supervisorial District	Owner Representative	Acreage
Grants				
R22171	Hemet	District 3	Dan Hollingsworth	65.18 acres
R22492*	Hemet	District 3	N/A	9.74 acres
R22493*	Winchester	District 3	N/A	4.36 acres
R22309	Hemet	District 3	Ed Sauls	40.39 acres
R22453	Murrieta	District 1	N/A	4.01 acres
R22494*	Murrieta	District 3	N/A	35.08 acres
R22462	Tenaja	District 1	Chris Basilevac	19.90 acres
R22467	Murrieta	District 1	Phil Percival	56.92 acres
R22469	Murrieta	District 1	Chris Basilevac	20.37 aces
R22471	Tenaja	District 1	Chris Basilevac	20.18 acres
R22470	Tenaja	District 1	Chris Basilevac	51.76 acres
R22435	Jurupa Valley	District 2	Glen Williams	25.48 acres
R22434	Jurupa Valley	District 2	Glen Williams	31.70 acres
R22479	Jurupa Valley	District 2	N/A	3.34 acres
R22480	Jurupa Valley	District 2	N/A	3.34 acres
R22481	Jurupa Valley	District 2	N/A	12.55 acres
R22482	Jurupa Valley	District 2	N/A	84.54 acres
R22483	Jurupa Valley	District 2	N/A	94.42 acres
R22484	Jurupa Valley	District 2	N/A	50.34 acres
R22486	Jurupa Valley	District 2	N/A	20 acres
R22487	Jurupa Valley	District 2	N/A	55.3 acres

Development HANS				
R22424	Temescal Canyon	District 1	Ed Sauls	420.78 acres
R22217	Sage	District 3	N/A	29.41 acres
R22476	Corona	District 1	Garret Sauls	17.23 acres
R22474	Hemet	District 3	Garret Sauls	20.72 acres
R22473	Hemet	District 3	Garret Sauls	20.36 acres
R22478	Temecula	District 3	Ron Schreiber	30.07 acres
R22475	Sage	District 3	Garret Sauls	20.4 acres
R22465	Hemet	District 3	Garret Sauls	20.00 acres

Non-Development HANS				
R22419	Aguanga	District 3	Garret Sauls	80.00 acres
R22444	Sage	District 3	Phil McElhinney/Garret Sauls	20.20 acres
R22440	Sage	District 3	John Culton/Garret Sauls	322.00 acres
R22407	Nuevo	District 5	Ed Sauls	7.92 acres
R22409	Murrieta	District 3	Ed Sauls	40.00 acres
R22449	Gavilan Hills	District 1	Ed Sauls	197.55 acres

Willing Seller				
R22459	Aguanga	District 3	Donna DeGenaro	262.02 acres
R22466	Juniper Flats	District 5	N/A	9.40 acres
R22433	Lake Elsinore	District 1	Glen Williams	239.87 acres
R22472	Temecula	District 3	Garret Sauls	22.88 acres
R22421	Calimesa	District 5	Jason Bennecke	306.93 acres
R22489	Temecula	District 1	Brian Bush	16.37 acres
R22490	Lakeview	District 5	Steve Letterly	85 acres
R22491	Lake Elsinore	District 1	Ed Sauls	129.87 acres
R22495*	Corona	District 1	N/A	80.00 acres
R22496	Murrieta	District 3	Sam Yoo	20.00 acres
R22485	Moreno Valley	District 5	Steve Hobbs	744.67 acres

* denotes a new acquisition project during July 2021

AGENDA ITEM 10

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY	
DATE:	August 18, 2021
TO:	Executive Committee
FROM:	David Knudsen, Interim External Affairs Director
THROUGH:	Aaron Hake, Interim Regional Conservation Deputy Executive Director
SUBJECT:	Legislative Update

STAFF RECOMMENDATION:

This item is for the Committee to:

1) Receive and file an update on state and federal legislation; and
2) Forward to the Board of Directors for final action.

BACKGROUND INFORMATION:

State Update

The Legislature returned from their monthlong summer recess on August 16, 2021. As the September 10, 2021, deadline to pass legislation fast approaches, legislators will be voting on policy and finalizing budget trailer bills associated with the enacted 2021-22 state budget. Governor Newsom has already signed over 140 bills since July 15, 2021, with hundreds more expected over the next four weeks.

Staff is awaiting budget trailer bills that provide the programmatic allocations which were authorized in previous budget bill frameworks. This includes the Climate Resiliency Budget Package, including:

- $3.2 billion Drought Package. This is to address and get ahead of the emerging drought. $2.4 billion has already been appropriated to ensure timely response to drought conditions, and the remaining details of the package will continue to be worked out between the Legislature and the Governor.
- $758 million Wildfire Prevention, over two years. In addition to the $536 million early action package and ongoing $200 million annual commitment from the Greenhouse Gas Reduction Fund, this budget provides $758 million general funding over two years for wildfire prevention efforts. Budget language allows next year's wildfire funding to be pulled forward to this year if there are shovel ready projects. Details of the package will continue to be worked out through the three-party negotiations.
- $3.7 billion Climate Resiliency Package. This package will be spread out over three years on climate resiliency investments, or about $2.4 billion more than what was proposed in

the Governor's May Revision. However, the Legislature and Governor do not have the authority to dictate obligate discretionary spending in future budget cycles. While they may commit to certain funding levels in future fiscal years, only the $440 million funding allocation for FY 2021-22 will have certainty. Details of the package will continue to be worked out between the Legislature and the Governor.

Federal Update

Policy committees in the House and Senate have been working for several months on infrastructure and surface transportation reauthorization legislation. In July, the House passed the Invest in America (INVEST) Act which included an amendment to establish the Western Riverside County Wildlife Refuge.

Meanwhile, a bipartisan group of Senators continued to negotiate an infrastructure package directly with President Biden and White House officials with momentum building toward a vote in the Senate on a bill that may look significantly different than the House-passed INVEST Act.

The legislative affairs team is working to determine how the Senate infrastructure bill will impact the amendment establishing a refuge in the House legislation and will continue to educate officials to show that land and habitat conservation go hand-in-hand with infrastructure development.

Wildlife Refuge Bill

The legislative affairs team has provided information to Senator Feinstein's office to ensure bicameral support for establishing a refuge in western Riverside County. An important part of the work underway is ensuring that Senator Feinstein's bill language is consistent with Representative Calvert's western Riverside Wildlife Refuge bill, H.R. 972.

The legislative affairs team will continue to work with Senator Feinstein's staff throughout the drafting of this bill.

Attachment: State and Federal Update Legislative Matrix

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY POSITIONS ON STATE AND FEDERAL LEGISLATION – AUGUST 2021

Legislation/ Author	Description	Bill Status	Position	Date of Board Adoption
SB 45 (Portantino)	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022. This bill would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of $5,595,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.	Ordered to inactive file on request of Senator Portantino June 1, 2021	*Support, if amended* *(based on platform)*	April 8, 2021
AB 1500 (Garcia)	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, and Workforce Development Bond Act of 2022. This bill, which if approved by the voters, would authorize the issuance of bonds in the amount of $6,955,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, and workforce development programs.	Re-referred to Assembly Rules Committee May 20, 2021	*Support, if amended* *(based on platform)*	March 30, 2021
H.R. 972 (Calvert)	A bill to establish the Western Riverside County Wildlife Refuge. This legislation creates the federal government's framework to meet its obligations under the Multiple Species Habitat Conservation Plan (MSHCP) Implementing agreement.	Ordered Reported by the House Committee on Natural Resources July 14, 2021	*Support*	April 5, 2021