

1. What is the difference between private serving vs. community serving for parks and community centers?

- Parks in gated communities shall be included in the residential density calculation, as only gated community residents benefit from these parks.
- Parks within tract maps but not in a gated community are considered public parks and subject to the civic fee. See Chapter III, Section 2.A.
- Community centers exclusively for residents and guests of a particular tract map shall be calculated as part of the residential density calculation. Community centers not limited to residents and guests within the tract shall be charged the civic fee. See Chapter III, Section 2.A.

2. Do exemptions apply to both residential and commercial/industrial projects?

- Yes, exemptions can relate to both residential and commercial/industrial projects.

3. Clarification on ADUs

- ADUs shall be calculated in accordance with California Government Code section 65852.2(f)(3). See Chapter III, Section B.1.b. Type III and Table 3-2 for the calculation.
- All ADUs, attached and detached, of 750 square feet and greater pay the proportional Local Development Mitigation Fee. This includes ADUs which are built inside the primary dwelling unit, including but not limited to garage conversions. See Chapter III, Table 3-2 for ADU calculation.
- All ADUs up to 749 square feet are exempt.
- If multiple ADUs are built at the same time, do not combine for the calculation.
- The calculation uses the primary dwelling unit. For multifamily dwellings, the primary dwelling unit must be determined e.g., which apartment, condo, or part of the duplex the ADU be associated with.
- The LDMF payment due on an ADU of 750 or more square feet shall be calculated as follows:
Per unit mitigation fee for the appropriate density category x (Total ADU square feet/primary dwelling unit square feet). The LDMF payment is due on the full square footage of the ADU. The 749 line is only to determine if the AUD will owe a fee or if it is exempt in its entirety.

4. Clarification on Additions

- See Chapter III, Section B.1.b. Type IV, Table 3-2, and Exemptions Chapter II, Section D.
- Per the Ordinance, renovations which do not add Usable Square Footage are exempt.
- Additions, attached or detached, shall be calculated using the same methodology as ADUs. Therefore, additions up to 749 square feet are exempt and additions 750 and greater are subject to the fee. However, no fee shall be collected on additions to properties which the fee was previously paid, regardless of the addition size.
- The LDMF payment due on an addition of 750 or more Usable Square Feet shall be calculated as follows:
Per unit mitigation fee for the appropriate density category x (addition square feet/primary dwelling unit square feet).

5. Clarification on Non-Residential Additions

- Per the Ordinance, renovations which do not add Usable Square Footage are exempt.
- Non-Residential additions (commercial, industrial, or civic) that increase acreage on which the LDMF has not been previously paid would owe the fee in accordance with the jurisdiction's Ordinance.

6. How should density be calculated when a tract map is unavailable?

- If density cannot be determined because the tract map is old or unavailable, use Chapter II, Section E.2. If the process described in Chapter II, Section E.2. is infeasible, density may be used by calculating the lot size or a default of low density may be used. This process shall be used for infill lots or ADU/Additions.

7. How should internal streets in a tract map be calculated?

- Internal streets (as opposed to backbone roads) within a development are included as part of the residential density calculation. See Chapter IV examples of how to calculate.

8. Why are fees being collected on additions and renovations?

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.

The previous sample ordinance adopted in 2004 (Implementing Agreement Exhibit G) exempted rehabilitation, remodeling, or minor additions to an existing Development Project. The initial intent of this exemption was to exempt only the most minor of additions to single family homes. However, as it evolved, Member Agencies used the exemption to exempt all additions of any kind.

The problem with this approach, as it evolved, is that larger additions will lead to additional impacts on covered species and associated habitats. As described in the 2020 Nexus Study:

“The implementation of the MSHCP, and the mitigation fee as a fundamental part of it, will benefit all new development by mitigating their collective impacts on covered species and associated habitat. All new public and private development in the Plan area will affect habitat and species either directly, indirectly, or as a cumulative effect. New infrastructure development, for example, in addition to its direct effects, will support new development on other parcels and other locations in the Plan Area. Similarly, new private development will require new infrastructure and also result in additional demand for new developments through linkages—for example, the need for new housing to accommodate new workers at commercial developments or the need for new retail developments to serve new residents at residential developments. In other words, all new development in Western Riverside County will benefit from the incidental take permits obtained through the MSHCP and via the use of the mitigation fee revenues.” (Final Report: Western Riverside County Multiple Species Habitat Conservation Plan Nexus Fee Study Update, pp 53-54.)

When it came time to update the exemption in the new Ordinance, there was a need to eliminate the loophole that had been created by the “minor addition” exemption, particularly as it applied to large additions. Therefore, 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 but removed minor additions from the exemption.

However, this change led to other concerns. Member Agencies 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.

In September 2021, the Board approved an 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. If the homeowner previously paid the LDMF, no additional fee would be due; however, if not previously paid, the fee calculation will be the same as for Accessory Dwelling Units (ADUs). Therefore, if the additional square feet is 749 or less, no fee is due. If 750 or more square feet, the LDMF calculation is based on the proportional square footage added to the current home.

The amendment also clarifies the definition of an ADU vs. residential additions and renovations. The policy amendment was 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.

9. **Why are fees being collected on ADUs?**

The same rationale for why fees are being collected on additions and renovations answered in FAQ No. 8 also applies to ADUs. See detailed rationale described in FAQ No. 8.