

Coachella Valley Conservation Commission

Local Development Fee Annual and Five-Year Accounting Report



Fiscal Year 2021-2022

Introduction

In 1987, the California Legislature passed Assembly Bill 1600, also known as the Mitigation Fee Act (Government Code §66000 *et seq.*), outlining the legal requirements in which a development impact fee may be charged by a local governmental agency to an applicant related to the approval of a development project. Such fees are intended to pay for some or all of the costs of new public facilities required to support that project.

The Local Development Mitigation Fee (LDMF) is assessed on all development within the Coachella Multiple Species Habitat Conservation Plan (CVMSHCP) boundary that results in destruction of habitat due to ground disturbance on previously undisturbed land. The CVMSHCP is a multi-agency conservation plan that provides for the long-term conservation of ecological diversity in the Coachella Valley region of southern California, and is administered by the Coachella Valley Conservation Commission (CVCC). The CVMSHCP includes an area of approximately 1.1 million acres designed to conserve 27 species, 23 natural communities, and three essential ecological processes in perpetuity.

Payment of the LDMF provides for the acquisition, monitoring, and management of compensatory habitat in priority conservation areas while simultaneously granting incidental take authorizations to developers consistent with the state and federal permits issued under the CVMSHCP, thereby allowing local agencies to streamline development activities, including housing production. Revenues generated by the LDMF are complemented by funds provided by public agencies to mitigate impacts from regional infrastructure projects.

The following report has been prepared in compliance with California Gov. Code §66006(b), which requires an annual disclosure review of development impact fees collected and disbursements made.

LDMF Fund Activity

The LDMF is assessed based on land use, which is broadly categorized into residential and commercial/industrial development. For residential land use, there exist three tiers of housing density, with low-density housing receiving the highest assessment, and high-density housing receiving the lowest. The fee schedule for fiscal year 2021-2022 is depicted in Table 1.

Table 1: LDMF schedule, fiscal year 2021-2022.

<i>Land Use Category</i>	<i>Assessment Unit</i>	<i>Fee</i>
<i>Residential, < 8.0 dwelling units/acre</i>	Dwelling unit	\$1,400
<i>Residential, 8.1 – 14.0 dwelling units/acre</i>	Dwelling unit	\$583
<i>Residential, > 14.0 dwelling units/acre</i>	Dwelling unit	\$259
<i>Commercial & Industrial</i>	Acre	\$6,215

LDMF is collected by the local permitting agency either before the issuance of a building permit or before the issuance of a certificate of occupancy, depending on the jurisdiction. Local agencies are authorized to retain 1% of the assessed fee to cover administrative costs and remit the remainder to CVCC. In certain cases, developers may provide to CVCC an amount of land equal to the fee that would have otherwise been assessed. LDMF fund revenues, expenses, and other activity for fiscal year 2021-2022 are summarized in Table 2.

Table 2: LDMF fund balance for fiscal year 2021-2022.

Beginning Fund Balance (7/1/21)		\$4,171,460
Fees Collected:		
Gross Fees Collected		\$3,597,273
Administrative Fees Paid to Cathedral City	\$(1,084)	
Administrative Fees Paid to Coachella	\$(2,664)	
Administrative Fees Paid to Desert Hot Springs	\$(3,185)	
Administrative Fees Paid to Indian Wells	\$(924)	
Administrative Fees Paid to Indio	\$(8,466)	
Administrative Fees Paid to La Quinta	\$(8,603)	
Administrative Fees Paid to Palm Desert	\$(4,977)	
Administrative Fees Paid to Palm Springs	\$(3,554)	
Administrative Fees Paid to Rancho Mirage	\$(560)	
Administrative Fees Paid to County of Riverside	\$(1,956)	
Administrative Fees Paid to Member Jurisdictions		\$(35,973)
Net Fees Collected		\$3,561,300
Refunds		-
In-lieu Contributions		\$746,253
Interest Earned		\$9,821
Expenditures		\$(4,597,630)
Ending Fund Balance (6/30/22)		\$3,891,205

There were no interfund transfers made into or out of the LDMF fund, nor were any fees refunded or re-allocated for sums that remain unspent after five years and for which a date of commencement of a facility has not been provided. Fund performance over the previous five years is depicted in Table 3.

LDMF Expenditures on Public Facilities

Funds generated by the LDMF, alongside agency mitigation contributions, are used to purchase and manage conservation land in any of the CMVSHCP-designated conservation areas. Acquisition costs may include land appraisals, land asset values, escrow and title fees, and initial site remediation activities. Management activities can include periodic monitoring, installation of infrastructure such as signs and fences, the removal of debris, and biological surveys.

The CVMSHCP dictates that permittees shall conserve and manage in perpetuity at least 100,600 acres by 2053. As of June 30, 2022, permittees have conserved 15,324 acres, just over 15% of the total conservation requirement. While there are sufficient funds for additional purchases at this time, the CVMSHCP provides that land may only be purchased from willing sellers. Until negotiations with willing sellers have been concluded, an approximate date by which any particular purchase will be completed cannot be determined.

Properties purchased using LDMF funds are depicted in Table 4 and Figure 1. Table 4 also includes the percent-funding allocation from the LDMF, and funds expended on appraisals and management activities.

Table 3: Five-year test, 2018-2022.

Revenues Collected from 2018	\$2,258,994
Revenues Collected from 2019	\$4,414,268
Revenues Collected from 2020	\$2,691,023
Revenues Collected from 2021	\$2,723,559
Revenues Collected from 2022	\$3,597,273
Five-year Revenue as of June 30, 2022	\$15,685,118

Table 4: Capital improvement projects utilizing LDMF funds in fiscal year 2021-2022.

Conservation Area/APN	Acres	LDMF Funds	% LDMF
Desert Tortoise & Linkage	146.25	\$66,750	
707290005	146.25	\$66,750	100%
HWY111/I-10	58.45	\$291,100	
522070001	9.66	\$51,350	100%
522070019	28.48	\$122,438	100%
522070020	20.31	\$117,312	100%
Mecca Hills / Orocochia Mountains	80.00	\$21,550	
719280005	40.00	\$10,775	100%
719280007	40.00	\$10,775	100%
Santa Rosa & San Jacinto Mountains	2,938.49	\$3,089,115	
635060004	640.00	\$941	0%
635070025	119.99	\$78,274	100%
635420003	40.00	\$26,094	100%
635430002	160.70	\$104,831	100%
681480011	42.32	\$460,550	100%
686120005	640.00	\$416,941	100%
686320003	640.00	\$416,941	100%
687020001	655.48	\$1,584,543	42%
Thousand Palms	1.22	\$50,550	
648220022	1.22	\$50,550	100%
Upper Mission Creek / Big Morongo Canyon	350.59	\$1,268,147	
516120012	5.00	\$23,750	100%
522070013	0.09	\$241	42%
664050007	9.37	\$63,650	100%
664190001	67.57	\$509,791	100%
664190002	6.16	\$46,509	100%
665020004	78.06	\$296,841	50%
667150005	38.88	\$108,024	100%
667150006	38.66	\$107,413	100%
667160001	66.00	\$2,605	1%
668290001	40.80	\$109,322	42%
Whitewater Floodplain	248.15	\$746,253	
522070028	248.15	\$746,253*	100%
Total Land Expenditures	3,823.15	\$4,040,958	
Appraisals		\$111,117	100%
Monitoring & Management		\$445,555	49%
Total Expenditures		\$4,597,630	

*In-lieu contribution, not counted toward total land expenditures.

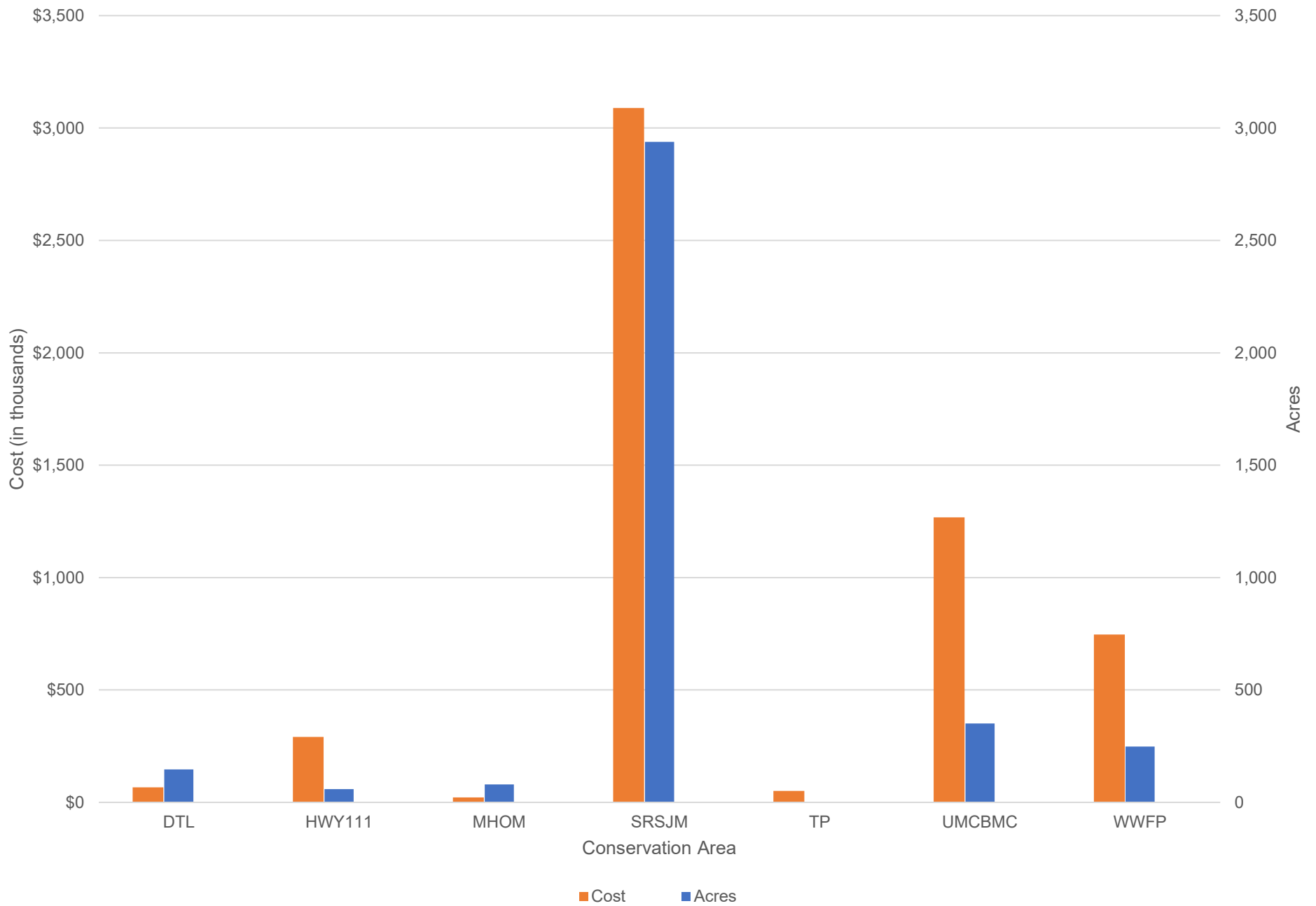


Figure 1: Acreage purchased and fee allocation per Conservation Area in fiscal year 2021-2022.