

Coachella Valley Conservation Commission

Local Development Fee Annual and Five-Year Accounting Report



Fiscal Year 2022-2023

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 2022-2023 is depicted in Table 1.

Table 1: LDMF schedule, fiscal year 2022-2023.

<i>Land Use Category</i>	<i>Assessment Unit</i>	<i>Fee</i>
<i>Residential, < 8.0 dwelling units/acre</i>	Dwelling unit	\$1,515
<i>Residential, 8.1 – 14.0 dwelling units/acre</i>	Dwelling unit	\$630
<i>Residential, > 14.0 dwelling units/acre</i>	Dwelling unit	\$280
<i>Commercial & Industrial</i>	Acre	\$6,725

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 2022-2023 are summarized in Table 2.

Table 2: LDMF fund balance for fiscal year 2022-2023.

Beginning Fund Balance (7/1/22)		\$3,891,205
Fees Collected:		
Gross Fees Collected		\$3,526,026
Administrative Fees Paid to Cathedral City	\$(784)	
Administrative Fees Paid to Coachella	\$(2,608)	
Administrative Fees Paid to Desert Hot Springs	\$(2,655)	
Administrative Fees Paid to Indian Wells	\$(802)	
Administrative Fees Paid to Indio	\$(8,885)	
Administrative Fees Paid to La Quinta	\$(5,911)	
Administrative Fees Paid to Palm Desert	\$(6,489)	
Administrative Fees Paid to Palm Springs	\$(3,687)	
Administrative Fees Paid to Rancho Mirage	\$(656)	
Administrative Fees Paid to County of Riverside	\$(2,783)	
Administrative Fees Paid to Member Jurisdictions		\$(35,260)
Net Fees Collected		\$3,490,766
Refunds		-
In-lieu Contributions		-
Interest Earned		\$39,791
Expenditures		\$(2,920,984)
Ending Fund Balance (6/30/23)		\$4,500,777

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 100,800 acres by 2053. As of June 30, 2022, permittees have conserved 16,489 acres, just over 16% 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, 2019-2023. Includes fees collected and interest earned.

Revenues Collected from 2019	\$4,532,446
Revenues Collected from 2020	\$2,750,117
Revenues Collected from 2021	\$2,737,434
Revenues Collected from 2022	\$3,607,094
Revenues Collected from 2023	\$3,565,817
Five-year Revenue as of June 30, 2023	\$17,192,908

Table 4: Capital improvement projects utilizing LDMF funds in fiscal year 2022-2023.

Conservation Area/APN	Acres	LDMF Funds	% LDMF
Dos Palmas	90.00	\$6,028	
733150010	80.00	\$3,779	100%
733250002	10.00	\$2,249	100%
Desert Tortoise & Linkage	72.71	\$43,677	
709190006	9.20	\$3,983	100%
715190014	9.55	\$4,491	100%
715190016	13.96	\$4,999	100%
715271018	20.00	\$25,750	100%
715271023	10.00	\$2,227	100%
715272036	10.00	\$2,227	100%
Edom Hill	40.00	\$541,300	
659120009	40.00	\$541,300	100%
Highway 111/I-10	1.25	\$3,084	
522080011	1.25	\$3,084	100%
Indio Hills/Joshua Tree National Park Linkage	15.00	\$2,814	
750020010	15.00	\$2,814	100%
Mecca Hills / Orocopia Mountains	20.00	\$2,820	
709590009	20.00	\$2,820	100%
Santa Rosa and San Jacinto Mountains	17.12	\$32,843	
513230022	10.00	\$4,454	100%
636072010	1.00	\$5,156	100%
636075016	1.00	\$4,380	100%
636081002	1.00	\$4,525	100%
636081004	1.01	\$4,796	100%
636091020	1.00	\$4,752	100%
636092005	1.00	\$2,268	100%
636093004	1.11	\$2,512	100%
Thousand Palms	892.06	\$1,578,917	
647030002	40.00	\$58,816	100%
647030005	40.00	\$58,816	100%
647030010	5.00	\$7,352	100%
647040002	160.00	\$235,263	100%
647220001	40.00	\$58,816	100%
647220002	280.00	\$411,711	100%
647220003	160.00	\$235,263	100%
647220005	40.00	\$58,816	100%
647220006	120.00	\$176,447	100%
648160015	2.20	\$87,375	100%
648170006	4.86	\$190,242	100%

Conservation Area/APN	Acres	LDMF Funds	% LDMF
Upper Mission Creek / Big Morongo Canyon	5.57	\$6,182	
516030014	5.00	\$1,550	100%
664100012	0.57	\$4,632	100%
West Deception Canyon	138.25	\$40,750	
645350014	40.00	\$40,750	100%
Whitewater Floodplain	27.76	\$160,322	
660290014	5.08	\$29,572	100%
660300007	22.68	\$130,750	100%
Total Land Expenditures	1,324.72	\$2,418,735	
Appraisals and Title Expenses		\$65,050	100%
Monitoring and Management		\$437,199	33%
Total Expenditures		\$2,920,984	

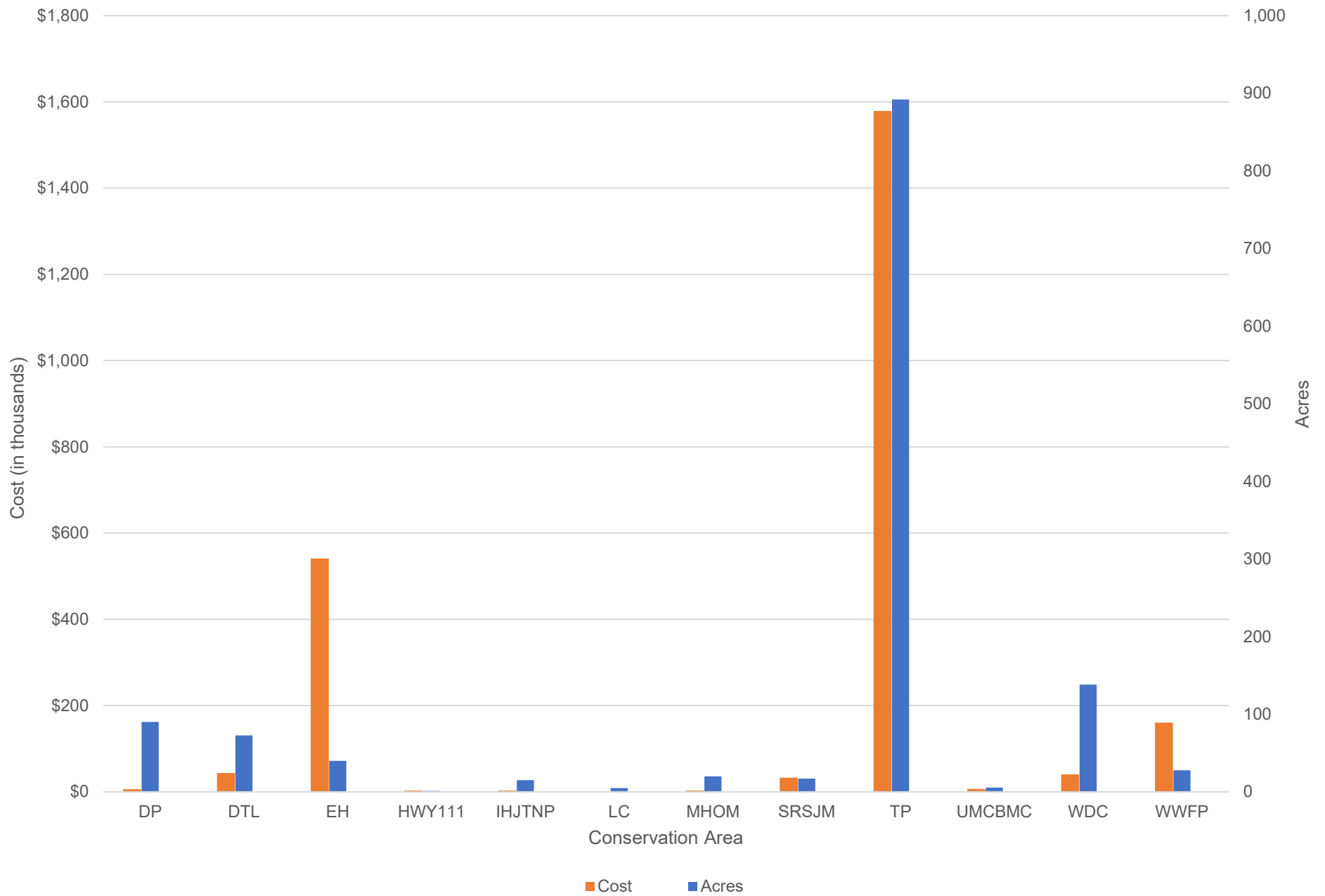


Figure 1: Acreage purchased and fee allocation per Conservation Area in fiscal year 2022-2023.