



Nexus Study Background Summary

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Multiple Species Habitat Conservation Plan (MSHCP) – Originally adopted in 2004, the MSHCP is a comprehensive plan focusing on permanent conservation of 500,000 acres and protection of 146 species in Western Riverside County.

Contribute to the economy – Implementation of the MSHCP accelerates construction of infrastructure and development, reduces project costs, and provides permitting efficiencies that lead to economic growth.

Ensure financial stability – The MSHCP fee has not been increased (other than CPI adjustments) since inception in 2004.

- Several assumptions in the original 2004 nexus study did not occur, causing a revenue gap that would only get wider by further delaying the implementation of a new nexus study.
- RCA must demonstrate full funding of the MSHCP to the state and federal wildlife agencies who provide the permits for the MSHCP. Without these permits, the MSHCP cannot provide coverage for private development and public infrastructure projects under the federal and state Endangered Species Acts. Without this coverage, each project would be responsible for mitigating their own impacts pursuant to these laws, which could be very costly and uncertain.

Mindful implementation – Recognizing the current economic situation, the RCA Board, in consultation with the BIA, adopted the lowest possible fee evaluated in the Nexus Study, along with a phase-in of the increase. 50% of the increase will take effect on July 1, 2021, with the remaining 50% taking effect on January 1, 2022.

- The lower fee increase is made possible by extending the land acquisition period by an additional 15 years. Adding this time for development to occur spreads the fee and mitigates the increase.
- The Nexus Study identified an equitable distribution of the fee where each acre developed is treated roughly the same.

| Nexus Study LDMF Fee Schedule | | | |
|---|----------------------------------|------------------------|---------------------------|
| Category | Current fee per unit or per acre | Effective July 1, 2021 | Effective January 1, 2022 |
| Residential: Up to 8.0 dwelling units/acre (DUAC) | \$2,234 | \$2,935 | \$3,635 |
| Residential: 8.0-14 DUAC | \$1,430 | \$1,473 | \$1,515 |
| Residential: 14.0+ DUAC | \$1,161 | \$670 | \$670 |
| Commercial (per acre) | \$7,606 | \$11,982 | \$16,358 |
| Industrial (per acre) | \$7,606 | \$11,982 | \$16,358 |

Prepayment allowed – Cities and the County may accept prepayment of fees at their own discretion for applicants wishing to pay current fee levels prior to July 1, 2021.

Transparent decision making – The RCA Board, consisting of elected officials representing 18 cities and the County Board of Supervisors, adopted the Nexus Study on December 7, 2020 at its public meeting. The RCA Executive Committee discussed the Nexus Study in six Brown Act public meetings over the course of a year (November 2019–November 2020). On November 2, 2020, the draft Nexus Study was posted on the RCA website, more than 30 days before the full Board of Directors' consideration, in excess of minimum transparency requirements.

Meeting the commitment – Cities and the County must adopt the updated MSHCP fee before May 2, 2021 to remain compliant with the MSHCP and be eligible to receive the Plan's benefits.

- RCA has transmitted the model ordinance and resolution to adopt the updated fee to city and county staffs. RCA staff is available to assist with implementation questions.

New management, enhanced services – RCA is now under the management of RCTC. RCTC is committed to enhancing its service to the private sector through joint project reviews and to public agencies seeking to build infrastructure.